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CHALLENGES WHEN COMMUNICATING CUSTOMER VALUE OF  
AN ONLINE LANGUAGE LEARNING TOOL: CASE ONLINE  
MARKETING FOR PENETRATING SPAIN

Master of Science Thesis

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## ABSTRACT

**FRANCISCO PELLUZ:** Challenges When Communicating Customer Value of an Online Language Learning Tool: Case Online Marketing for Penetrating Spain

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The existing online market is filled day after day with new companies that try to address even bigger customer base. The ease of addressing customers enabled by technology makes many of these companies try to apply the same strategies and procedures value despite of online products and markets being different from each other. To some extent, in the online language learning industry same applies, however, the usability and utility factor of online learning tools influences a lot in the success of these tools. Furthermore, cultural factors do also influence, enabling some challenges that other online products and solutions may not face.

The objective of this report is to identify important challenges present when communicating customer value of an online language learning tool to a specific market, Spain, and to gain an understanding of the specific characteristics that online language learning tools show as to apply them by using online marketing for penetrating this market. To understand the implication and impact of these challenges, an extensive and exhaustive literature review has been conducted in order to provide a simple, clear and ordered structure to the different and widespread literature concerning interrelated topics and similar concepts. Furthermore, a case study research, conducted in collaboration with a Finnish online learning language tool provider, is presented and discussed in this thesis.

The final outcome of this thesis shows how online language learning do share some similarities with online solutions specially when it comes to customer value and purchasing behavior; however they also present their own specific and important differences. Besides, this outcome also brings up the importance of the software in online language learning which in many occasions goes completely unattended. Furthermore, the thesis provides a simple but explanatory way of successfully addressing the initial stage of customer value communication while conducting online marketing for an online language learning tool to a specific market, the rise of awareness. Finally, this thesis also addresses some considerations and limitations faced during the case study research and some factors that should be looked into in future research.

## PREFACE

This thesis focuses on the increasingly importance that online language learning is gaining in the advent of the new technologies and the rapid expansion of online solutions everywhere. Recently, both online services and online learning are normal concepts in the present daily market. Constantly, all sort of new solutions in the form of services, products and applications are non-stop arising and aiming not only at the public sector, but at single users as well. Moreover, even though the marketing channel used is the same, the online world, specific characteristics apply. Therefore, this thesis tries to recognize the own characteristics that online language learning present when compared to online products. Furthermore, the thesis also intends to understand what affects them and what challenges may arise. Particular focus is given as well to the Spanish market and its cultural peculiarities and factors. To carry on this work, an exhaustive research and analysis has been conducted on the present literature on online services, e-Learning, online learning solutions, software as a service, digital markets, e-marketing and online language learning. Along with the literature review, the case study research of a Finnish online language learning provider is presented, and the empirical results obtained from it are analyzed in order to prove some interesting insights. Being in fact, this collaboration with the company what has motivated me to elaborate a study that may help me and others to identify some special aspects and trends surrounding the online language learning environment when considering the process of marketing them.

I would like to thank Dr. Jouni Lyly-Yrjänäinen and Professor Petri Suomala for the guidance and teaching provided throughout the process of writing and supervising this thesis. In addition, I would like to thank Mr Timo-Pekka Leinonen, CEO of WordDive, for providing me the valuable opportunity of conducting the empirical research, which has helped to test many of the concepts brought up in this thesis and even to produce new ones. I also would like to thank Anna Kivimäki, my wife-to-be, for her continuous support and understanding at all times. Finally, I would like to thank my friends, whose help provided in the form of not inviting me to so many Summer events together with the unfortunate event of breaking the anterior cruciate ligament of my right knee while playing football, has been fundamental in order to gain enough time and strength to conduct the boring but necessary part of doing research, the writing.

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Francisco Pelluz

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## LIST OF SYMBOLS AND ABBREVIATIONS

SEM	Search Engine Marketing
SEO	Search Engine Optimization
B2B	Business to Business
B2C	Business to Consumer
C2C	Consumer to Consumer
OLS	Online Learning Solutions
OLL	Online Language Learning
OLLT	Online Language Learning Tools
QoS	Quality of Service
QoE	Quality of Learning
PaaS	Platform-as-a-Service
IaaS	Infrastructure-as-a-Service
SaaS	Software-as-a-Service
CPV	Customer Perceived Value
NPS	Net Promoter Score
SERP	Search Engine Results Page

Vs.	Versus
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# 1. INTRODUCTION

## 1.1 Background

### 1.1.1 Current state of the art

Thanks to the development of technology and communications, in today's world, countries that are geographically separated by big distances seem to be closer to one another. This closure allows to reach and access not only all people, but also their culture and deep characteristics. (Marciano et al. 2012) In this "close" world, interaction is a native requirement attached to people, what can be regarded as a feedback system that enable them to exchange information and data. Yet, when this interaction is to be conducted forcedly, it leads to unhappiness and inefficiency. (Eryou and Jun 2008)

If anything characterizes the Internet world is the fact that innovations sell. Every day comes out new products and applications in the shopping, entertainment, learning, banking, education and any other industry. These online products have produced major changes in people's lives. Social networking services do not seem a new thing any more and the rate of development of online products compared with those of five years back is simply astonishing. (Yang et al. 2008)

In addition, the Internet world seems to work better as communication and distribution channel for products that presents intangible and informative characteristics (Peterson et al. 1997, in Dall'Olmo Riley et al. 2009); whereas it does not perform that well for these ones that involve many senses or a tactile experience when buying them (Phillips et al. 1997, Fenech and O'Cass 2001, in Dall'Olmo Riley et al. 2009). The friendliness factors of some products towards the online world are of an important relevance for companies when communicating customer value nowadays, specially when recently the online world and technological developments are challenging the traditional marketing principles in each single section of the marketing mix (Boulay et al. 2014).

Finding the right segments for a specific product and targeting the right audience is by no means an easy and trivial task and it requires of deep analysis, experience and vision (Lyly-Yrjänäinen et al. 2010). As part of this analysis it becomes quite important to identify those particular aspects that make any type of online solution different from one another, because applying a similar procedure to them all it is not simply enough, specially when customer's purchasing behavior hold such a strong influence on them.

As to address this online ecosystem, old theories have transformed and concepts such e-Business have become a norm. The simply vast amount of websites and online applications make things quite difficult for companies as in order to trigger sales, companies continuously need to seek for achieving visibility and gaining competitive advantage over their competitors. Marketing actions, such as search engine marketing (SEM), social media promotion, search engine optimization (SEO), blogging, advertisement and many others, are conducted as to attract possible potential customers to their sites so that they will use a service or end up buying a product. (Grzywaczewski et al. 2010)

Still, in this digital close world, for companies to decide which e-business strategy to follow and what actions to conduct within it becomes a big challenge and little research has been conducted in helping business to select their e-marketing strategy. The reason to this is mainly because the issue is rather complex and it depends on many factors, which includes for example the type of business, the competition in a particular industry, the market specific characteristics and culture, website usability, product and service visibility, brand knowledge and customer and retailer related factors. (Grzywaczewski et al. 2010)

### **1.1.2 Online language learning as a market reality**

Online solutions comprise a vast spectrum of different products, among which online learning and online language learning solutions are found. Online learning solutions, being part of online solutions, makes them to share same characteristics and similarities; however, despite of sharing the same channel with the online world, online learning solutions do have their own specific features as well. Equally, same applies to online language learning within online learning, thus identifying online language learning solution's specific characteristics and features become an important source of differentiation when considering strategies and addressing the challenges related to taking online language learning solutions to a specific market.

The amount of language learning and teaching content present on the Internet grows that much each day that is becoming too big to handle. Similar thing applies to language learning software tools as many are already available in recently. According to Schwartz et al. (2004) many of these tools are regarded as static whereas others, those following a game-like style, are seen as more active though still limited when it comes to the learning. Moreover, the authors go on questioning the validity of many of these tools for language learning. Learning a language requires cumulative knowledge of grammar and vocabulary and the “canned material” offered by these tools does not provide users neither control nor flexibility on the language.

However, despite of this “canned material”, online learning solutions do offer many advantages as well. Hence, universities and training institutions strongly intent to find

ways to incorporate e-Learning methods in order to support their business by offering new and more effective ways of improving the learning efficiency, specially by using web services. (Gamalel-Din et al. 2014) Therefore, this e-Learning boom has made private companies to get also onboard and some examples of private online learning tools available already in the market are: WordDive, Busuu, Duolingo, Babbel and Rosetta Stone.

## 1.2 Objective of the thesis

This thesis takes into consideration some of the recent changes in the way of doing marketing when considering online solutions. Besides, it becomes aware of the broad nomenclature, different concepts and ways of addressing similar topics found on the literature regarding not only online learning in particular, but online products in general.

Furthermore, the thesis addresses recent challenges when communicating customer value while marketing online solutions. Besides, it acknowledges those elements that characterize online language learning and how these, despite of sharing some similarities from online learning, still require to apply their own marketing actions. Further, the thesis also highlights those aspects that make the Spanish market different from the rest and might be of some importance when conducting marketing penetration actions. Hence the objective of this thesis...

*....is to identify important challenges present when communicating customer value of an online language learning tool to a specific market and to gain an understanding of the specific characteristics that online language learning tools show as to apply them by using online marketing for penetrating this market.*

In addition, this thesis is based on the study conducted in collaboration with an online Finnish language learning provider, WordDive, taking the challenges and principles collected in the literature review to a specific market, Spain. WordDive is a Finnish company that provides online language learning service via the computer's browser or by using specific smart-device applications. The company is located in Tampere, Finland and its main product is an online learning tool for learning foreign languages. Currently, the tool offers up to twelve different languages including English, Finnish, Spanish, Russian, Japanese, Chinese, Estonian, Italian, Turkish, French, German and Swedish. Furthermore, the company also offers specific online tailored courses for preparing language exams for accessing the university and other courses that combines the learning provided by the online tool with the presence of a teacher. The company's main mode of operation happens and is developed entirely online.

### 1.3 Scope of the thesis

This thesis organizes the vast and widespread literature in order to provide a coherent and straight summary leading to the objective. Thus, besides presenting and discussing the results of the research case study conducted on the marketing of an online language learning tool, this thesis also presents a logic and concise summary of all the concepts, elements and ideas related to the marketing of online language learning. Furthermore, this summary acknowledges the implications and influence that customer value and software do have in the marketing of online solutions, and thus, online learning ones, as in many occasions the marketing literature either underrates these implications or even leave them completely out of the picture due to most users being completely unaware of the software presence.

### 1.4 Research method

According to Gummesson (1993), the general reason for doing case study research is to better understand complex phenomenon. This phenomenon can be considered as complex due to many factors involved with it or due to difficulties in identifying it. Within this research, there are two possible methods for data gathering, quantitative and qualitative methods. The former refers to statistical processes, which most of the time consist on analyzing a vast amount of data in order to reinforce an already pointed theory, whereas the latter, qualitative methods refer to those methods where the information gathered is not vast, but the implication of the researcher in a way or another makes a significant difference. (Gummesson 1993) Table 1 shows the different types of case study research that can be conducted.

*Table 1. Types of case studies research (Adapted from Gummesson 1993).*

Cases type	Definition
Explanatory	Answer “how” and “why” questions.
Exploratory	An area of little known, a pilot study.
Descriptive	Describing a process, event or etc. without an analysis.
Predictive	Predicting the possible future.
Specific	Drawing conclusions on a specific case.
General	General understanding of a type of phenomena.

Theory generating	Generating ideas, concepts, categories, models, processes, and theories.
Theory testing	Testing a statement, a model, etc.
Change initiation	Deeper understanding of a case so that this can be implemented and initiated.
Integrative purposes	Synthesis of an area of need.
Single study	Only a single case is studied
Multiple study	Several cases are studied.
Embedded	Sub-cases within a bigger ones.
Snapshot	Describing something at specific point of time.
Ongoing processes	Study conducted when a specific phenomenon occurs.
Reconstructive	Already occurred. Historical or retrospective.

Further, within qualitative research, Gummesson (1993) lists five ways of empirical data gathering:

- Use of existing material
- Questionnaires
- Interviews
- Observation
- Action science

The use of existing material implies using all sort of information than can be obtained from any type of sources other than humans, such as books, journals, articles, databases, statistics, academic literature, academic theory or any different media format found on the Internet. This existing material helps to access to results and data that the researcher might not be able to get otherwise. Further, it allows to plan the research based on the results that others have already done as to gain new insights, providing some reliability to the research. Questionnaires are an important method as they allow to get straight data from test subjects to the answers of how much, how many and how often, what can easily transformed into numbers, however, they are not useful when dealing with complex phenomena where many variables apply. To this, qualitative interviews work much better as they allow the researcher to notice deep and complex issues, contrast

them with non-verbal communication and to restructure the interview on the go, when needed, to get some answers. (Gummesson 1993)

Observation is also a powerful data gathering method as it provides the researcher first-hand live experience to transform tacit acquired information into explicit one by being able to test some interpretations, thus helping to add validity to the research. According to Gummesson (1993), observation requires the researcher's pre-understanding knowledge, openness and sensitivity. Lastly, action science occurs when a combination of all these methods applies and the involvement of the researcher is total. This researcher becomes an active participant influencing the process under study in order to focus on the totality of a complex problem from many different perspectives. Furthermore, action science research advocates for all parties involved to contribute to the outcome as to obtain mutual benefits. (Gummesson 1993)

## 1.5 Research process

From Table1, this report can be classified as a general case study that tries to understand a complex phenomena affecting the marketing of online language learning tools. The data gathering for this report consists on a qualitative research method that obtains its information from two main sources. The primary source of information comes from the use of existing material based, mostly academic literature and theory, on e-learning, e-marketing, online language learning tools and other related sources. As second source, data have been gathered through an action plan executed while collaborating with a major online language learning tool provider in Finland. Besides, as part of this collaboration, multiple discussions with the CEO, the marketing team as well as the software and logistic departments have taken place. Hence, the analysis of the chosen existing material not only helps to better understand the concepts discussed in this thesis in a simpler and more straight-forward way, but also enables to use the data gathered in order to gain new insights.

Action science is used as the main research method of this case study. First, the researcher preexisting knowledge and familiarity with the area of study, online learning and marketing, from his career background. Second, implication of the own researcher within the company, being himself the one responsible for developing and executing the action plan to follow. The execution of the action plan has been performed by being present in the company facilities on a weekly basis three hours a day during five months. Furthermore, besides contributing with theory, the conclusions provided by this report may also bring important benefits for the company. Table2 shows a straightforward timeline of the process to develop this report.



*Table2. Timeline of the process of developing this thesis.*

October 2014	November 2014	Dec 2014 – April 2015	May 2015	June – February 2016
Proposal of case study to company CEO	Proposal accepted	Conducting the empirical study in the company	Analysis of the empirical results	Literature review and thesis writing

The research process started in October 2014 when the idea for this case study was suggested to the CEO of the company. By November 2014, a concrete plan describing the process to be followed was developed and sent the CEO for approval. After the “ok” was given, it was from December 2014 to April 2015 when the plan was implemented and the concepts put into practice. Initially the case study aimed at coming up with a framework or pattern-like that might help to systematically apply a marketing process of combining online and offline marketing techniques for online language learning tools to a specific culture, in this case, Spain. However, due to the broad spectrum of factors influencing the marketing of an online language learning tools and the time limitation, the topic was narrowed down and more traditional marketing techniques were left out. Thus, the research process focused only on the online part of the marketing and the challenges that a specific culture present to this marketing when trying to rise the awareness of an online language learning tool on the Internet, which has become the topic of the thesis.

## **1.6 Structure of the thesis**

This thesis is logically divided into seven chapters, where the content of each chapter is as follows:

1. Chapter1 covers the introduction of this thesis, where besides establishing the background of the literature review and research as well as the research method and process, the objective and scope of the thesis are explained and a small overview of the company is given.
2. Chapter2 sets the basics of marketing and its foundations. Then, it goes on analyzing marketing segments and how offline and online channels should be combined in order to maximize the rise of awareness to finalize by introducing online marketing.
3. Chapter3 deals with online solutions as a service, where their business and revenue models are introduced. Then, it brings out the importance of software

within online solutions before concluding the chapter with a discussion about the purchasing behavior that influences online solutions.

4. Chapter4 is all about online language learning. It starts by defining online learning and introducing a classification of it. Then, it provides a framework where the difference between online learning and online language learning tools gets explained. Finally, it ends with types of online language learning tools.
5. Chapter5 is the last of one of the literature review, and therefore the challenges in marketing online language learning tools are gathered and discussed. Besides, the concepts of customer value, customer satisfaction and loyalty, and cultural factors influencing online purchasing are explained. Finally, it deals with the challenges by dividing them into those related to the development of the tool and those related to the marketing of the tool.
6. Chapter6 is all about the case study research conducted in collaboration with an online language learning provider. Hence, all the literature review gets applied in this chapter. Therefore, this chapter first introduces the company and the market where the case study took place, Spanish market. Second, it describes the empirical study conducted and showed the results obtained before providing an analysis and some considerations and limitations faced. Finally, some suggestions for further research are presented.
7. Chapter7 provides a conclusion to this thesis.
8. The Appendices Section is found after the list of references. This section provides extra information on specific topics, concepts, elements and ideas covered throughout the chapters.

## 2. ONLINE MARKETING

### 2.1 Marketing

The concept of Marketing is perhaps one of the most researched for years. There are as many definitions to it as there are also different classifications and specializations of the term, such as Business marketing, Performance marketing, Manufacturing marketing, Entrepreneurial marketing, Marketing management and many others (Kotler & Keller 2009). However, regardless of these specializations and different terms used, all of them come to say the same thing: how marketing is applied to these specific areas. Table3 gathers different definitions of Marketing.

*Table3. Definition of Marketing.*

Definition of Marketing	Author
“Understand what the customer does and would value.”	(Anderson et al. 2009)
“Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”	(AMA 2013)
“The art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.”	(Kotler & Keller 2009)

There are two important concepts to highlight from the definitions gathered in the table: the concept of value and the concept of understanding the customer. Thus, regardless of how marketing is defined, it comes down to providing something of value to the customers; however to do so, it is needed to understand what customers expect, what they regard as valuable, and then, to figure out how to satisfy these expectations. Lyly-Yrjänäinen et al. (2010) reflects this discussion simply and nicely. Therefore, their definition can be used as the definition of marketing for the purpose of this report.

*“Marketing is the process of determining the wants and needs of others and satisfying those wants and needs with ideas, goods and services.”*

Within this process, there are two interrelated concepts that are important to point out, the concept of Segmentation and Marketing Mix. Lyly-Yrjänäinen et al. (2010) define Segmentation as the process of identifying different customer groups that a company

needs to target, what in plain words means to find those possible customers within a bigger group who hold a likely possibility of acquiring a company's product. Then, Anderson et al. (2009) see Marketing Mix as the 4 Ps to be considered in order to convey the value proposition to customers, standing these for Product, Pricing, Promotion and Place (meaning channel).

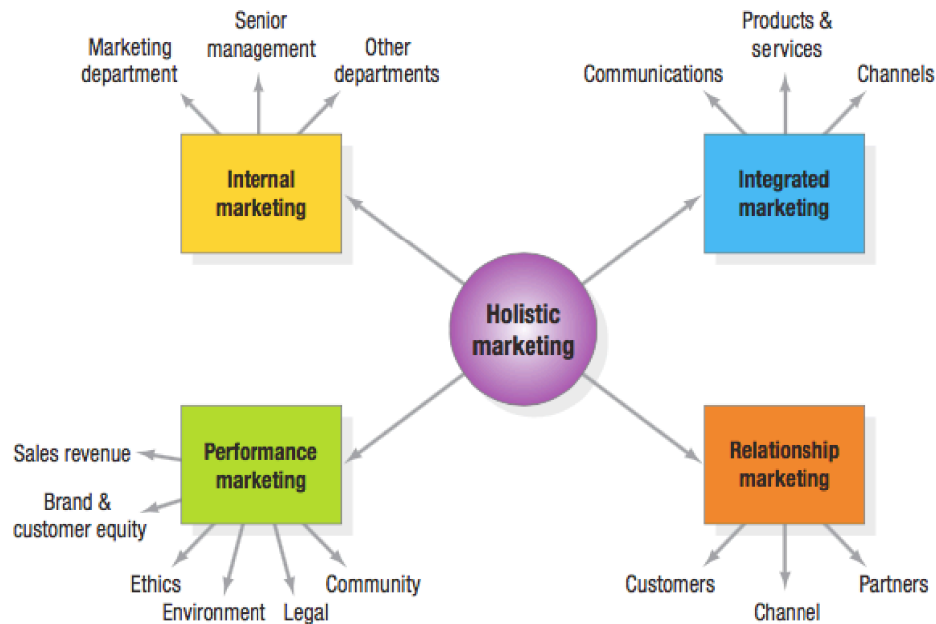
There has always been an extended discussion concerning these 4 Ps and if others should be also considered within the marketing mix process. In fact, already in 1986, three other Ps were proposed to be added to the marketing mix, standing these for Personnel, Physical facilities and Process management (Magrath 1986). These three Ps are closely related to an older view of Marketing linked to the more manufacturing aspect of the product development process that took place during the 80s. Nowadays the discussion on Ps is still a hot topic; however now it revolves around the relation of marketing with the shift towards social, digitalization and new possibilities enabled by technology. For instance, Henley et al. (2011) discuss in their paper that a fifth P for Partnership is needed when dealing with marketing social campaigns, specially those actions coming from non-profitable organizations or institutions, such as NGOs or Governments; partnership is consider of vital importance as they need of the cooperation of many parties and stakeholders.

Therefore, as part of the marketing process, a company first needs to choose who their possible buyers are (segmentation) and second, think of the right product, pricing, promotion and place combination (marketing mix) to these selected buyers as to satisfy their needs and wants. A high customer satisfaction leads to positive impact on the customer perceived value of the product, which besides sales, enables other important benefits for the company, from brand image and reputation to even network relationships.

According to Leventhal (2005), Marketing can not be regarded as a single and independent process but more of a cross-functional and long term activity within a company. Information is key, thus due to marketing continuously and close interaction with customers, it becomes fundamental to share this valuable information with the rest of the company. Furthermore, this information sharing leads to:

- Develop sound strategies.
- Increase return on investment.
- Enable successful innovations.
- Better branding efforts.
- Increase effectiveness of promotional efforts.
- Strengthen web marketing efforts.

Furthermore, as famously quoted by David Packard: “Marketing is too important to be left to the marketing department” truly represents the attention that Marketing must receive and the importance it really has towards the success and future of a company (See Appendix 2). Figure1 below represents this thinking.



*Figure1. Holistic marketing (Kotler & Keller 2009).*

As can be seen in the figure, marketing not only influences but also fuels and holds a strong impact on other important activities, processes and tasks in a company. Hence, from the evaluation and realization of this impact and interdependence, the concept of Holistic marketing has been created. Therefore, Holistic marketing is nothing else but following Packard's famous quote of acknowledging that a broad and integrative vision is necessary in marketing as everything matters. Furthermore, within the Holistic marketing specific areas, such as Relationship marketing, Internal marketing, Performance and Integrated marketing are present in order to address and classify better this impact.

## 2.2 Market segments

As already introduced, a segment is nothing else but a small fraction of a bigger group. The process as to obtain this smaller group is quite straight forward and it only consists of applying specific criteria to a bigger group as to filter from it those elements who fulfill this criteria. However, even though it might seem quite simple at first, finding the right segmentation criteria and choosing the right target market is a complex task and it

requires of analysis, experience and vision (Lyly-Yrjänäinen et al. 2010). Table4 shows four basic different ways for conducting segmentation.

*Table4. Types of Market Segmentation (Adapted from Beane & Ennis 1987).*

Bases for Market Segmentation	Definition
Geographic	According to some specific locations.
Demographic	According to variables such as: age, sex, size and type of family, income, educational level, race, and nationality.
Psychographic	According to life-style choices, way of living, inclined mindsets or personality.
Behavioristic	According to occasion, benefit (acquired by using the product) or usage rate.

As can be seen in the table, depending on the nature of a product and strategy, the segmentation bases to apply by a company will be different. Besides, combining different segmentation is a common practice. For instance, a Spanish company with locations in both Spain and Portugal might decide to sell its brand-new sailing clothing line for men to the Spanish and Portuguese males who belongs to a middle-upper class, regard themselves as sea people and go sailing at least once a week. Thus, offering its new clothing line to the Spanish and Portuguese males is seen as geographic segmentation. Demographic one is targeting males belonging to a middle-upper class. Psychographic segmentation is done by narrowing it down to those who regards themselves as sea people. Lastly, behaviorist segmentation based on usage rate is to address those who go sailing at least once a week.

Besides, depending on whether a company operates in the Business to Business (B2B) world or in the Business to Consumers (B2C) one respectively, the segmentation criteria to be applied is different. This different criteria comes from the different nature in market structure, product, purchasing behavior and decision making; and sales and distribution that B2B and B2C present compared to one another (See Appendix 1). In the B2B market, customers buy products in order to make profit by leveraging them in a way or another, whereas in the B2C world customers might not necessarily want to make any profit but only satisfy personal needs or whims. (Anderson et al. 2009)

Regardless of a company operating in the B2B or B2C world, as markets are never entirely homogenous (Beane & Ennis 1987), the reasons to segmenting are:

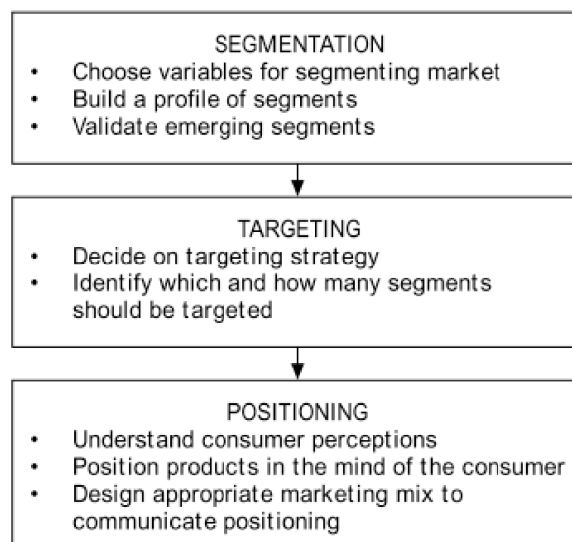
1. To search for new product opportunities or areas to introduce the current company product portfolio.

2. To extend the image of a company and obtain valuable feedback on better understanding of the company's customers and prospects.

When trying to identify the segments, as stated by Lyly-Yrjänäinen et al. (2010), it is important to keep in mind that:

- Segments must provide large-enough volume potential to obtain the intended profit.
- Segments needs to be separable from each other.
- The size of each segment should be measurable.

Once the segments have been identified and a strategy has been developed to target and address these segments, as Figure2 shows, the last step of the market segmentation process is Positioning, which consists of conveying and putting out the segmentation thinking.



*Figure2. The STP process of market segmentation (Dibb 1998).*

Companies do take Positioning quite seriously as by understanding consumer perceptions and communicating users of the products and services offered, the company is also conducting brand positioning and communicating their mission statement, constituting both important tools of marketing that hold a strong influence on the company image and perception. For instance, some examples of significant mission statements and brand positioning campaigns are: Nokia's famous "Connecting People", Michelin's statement "Peace of Mind" or Nike's motto "Just do it". Also, Obama's electoral campaign "Yes, we can" phrase became a certain push to his image.

Therefore, it is important to regard and keep in mind the segmentation process as a long term analysis where, first, customer needs and buyer behavior should be carefully identified. Second, a look into the competition and trading environments should be thoroughly studied in order to avoid as much as possible segmentation misunderstandings (Dibb 1998), which are quite easily to commit specially when being blinded by the “clear vision” to segment the market. Nonetheless, even though finding the right segments and conducting the segmentation process may seem quite simple and straightforward, it is actually an important, subjective and complex issue for a company which clearly falls beyond the scope of this study. Yet and regardless of the industry, frameworks, such as Porters's Five forces and PEST analysis, are of a great help and provide some interesting information about the industry and the competition that might be seen as a solid way of starting with the segment analysis.

## 2.3 Offline and online channels

Regardless of being in the B2B or B2C market, finding the right combination of communication, distribution and service channels for offering products to address specific target markets becomes quite a challenging task for marketers (Kotler & Keller 2009). This process correspond to the P for Place of the Marketing Mix concept discussed previously in the chapter. Table5 gathers the different market channels options available for marketers and examples of these.

*Table5. Types of marketing channels (Adapted from Kotler and Keller 2009).*

Marketing Channels	Examples
Communication channels	Newspapers, magazines, radio, television, mail, phones, billboards, posters, fliers, CDs, and the Internet world. Also, retail physical stores, web sites and other type of media (social and else) to interact with customers via blogs, live-chats and email.
Distribution channels	Direct – the Internet, mail, or mobile devices.  Indirect – distributors, wholesalers, retailers and intermediaries.
Service channels	Warehouses, transportation companies, banks, insurance companies and many others.



From the examples showed in the table can be seen how Communication, Distribution and Service channels can take place either over the offline world, the online one or both, For instance, newspaper ads would be a clear example of offline communication channel (See Appendix 9) whereas ads placed on a website is of an online communication one. Same applies for distribution and service channels where nowadays a product can be delivered physically to a customer's door or it might also be sent as an email to the customer's email account. Figure3 shows a simple example of using online communication versus offline one.



Figure3. Example of communication channel: Web ads Vs Newspaper ads (Netflix and Trimegatech 2015).

As can be seen in the figure, the left image corresponds to a website that contains digital ads whereas the right image shows a normal advertisement that can be found on any given newspaper. Hence, regardless of the environment used being the online or offline world, the main objective behind this communication channel is to convey a message to possible customers, viewers or readers for those on the figure, so that they become aware of the products offered, thus being the placed ads tools used by companies in as to generate actions from customers.

Nonetheless, despite of the latest and primary focus on the online world followed by the so called “online companies” recently, consumers who have the chance of interacting with a company over multiple communication channels are prone to be more profitable and loyal in comparison to single channel ones. Further, in order to success is of vital importance to understand customers and their preferences and based on this, to select those channels that might more effectively fulfill these needs. (Leventhal 2005) Therefore, capitalizing on finding the right combination of offline channels along with online ones instead of only focusing on the online ecosystem can become an important source of difference for a company as well as a way of not only targeting at a wider and

bigger prospect base, but also accessing to the other different concerns and needs that perhaps the online channel only could not reflect.

## **2.4 Online marketing**

The Internet world provides an easy and uniform environment for businesses to make their brands and products visible to their customers. Due to the vast number of companies that take advantage of the Internet to conduct their business, it becomes very challenging for companies to increase their sales and market awareness on this world. (Grzywaczewski et al. 2010)

As Yang et al. (2008) highlight, businesses are more and more starting to use social networks in order to help employees to connect, customers to obtain information or help about the company and to support their products or customer services. In addition, besides social media and email campaigns, other marketing techniques, such as SEM (Search Engine Marketing), SEO (Search Engine Optimization) and PPC (Pay Per Click) campaigns are used by companies in order to attract buyers to their sites and to promote their products, brands and services (Grzywaczewski et al. 2010). These techniques, which belong to the e-Marketing strategy followed by companies, are nothing else but applying the same old-school marketing concepts but now in a different and digital environment with the use of technology, the online world.

Therefore, online marketing can be regarded as conducting marketing actions where at least one of the channels (communication, distribution or service) happens online. For instance, recently, websites and social media constitute a powerful example of communication channels which are becoming an almost compulsory feature for companies. Furthermore, with the help of technology, nowadays more and more companies are also adapting their distribution and service channel to the online ecosystem in order to become more competitive and to cover a wider range of possibilities, what makes online marketing much more than only using online communication channels.

To sum up, this chapter has set and discussed the basics of marketing and its foundations. Then, it has continued on discussing the segmentation process by first identifying the segments to target and second addressing them by conducting the targeting and positioning. Afterwards, marketing channels (communication, distribution and service) have been explained in order to prove how a combination of offline and online ones is necessary to maximize the rise of awareness of a product. Finally, online marketing has been slightly introduced in order to prove how online marketing consists on applying the same basic marketing concepts but in the Internet world and list some of the techniques used, such as SEO, SEM, guest blogging, social media and others communications and distribution campaigns.

### **3. ONLINE SOLUTIONS AS A SERVICE**

#### **3.1 Online services**

According to Kotler & Keller (2009) there are different types of entities that can be sold to the market: goods, services, events, experiences, persons, places, properties, organizations, information, and ideas. However, recently, due to the change in economies, services are on trend and a growing proportion of activities focuses on the production of services, such as the work of airlines, hotels, car rental firms, beauty care, health care, language learning, maintenance, repair people, engineers, software programmers and consultants. Furthermore, these services can come along with the production, packaging and distribution of other market entities, such as information, ideas, products or properties, thus becoming a bundle of the different entities to be sold. This bundle is called a solution, even though generally can also be regarded as a product, where the word product is used as a label for anything that can be taken to market. Tom McCausland, from USA SOLUTIONS exemplifies this discussion: “[our product] is not necessarily an X-ray or an MRI, but information. Our business is really health care information technology, and our end product is really an electronic patient record: information on lab tests, pathology, and drugs as well as voice dictation.” (Kotler & Keller 2009)

Oliva and Kallenberg (2003) highlight three big reasons that have made companies to shift from products to services: economical, customers' request and competition. First, in general services have higher margins and are prone to provide stable and quite sufficient source of revenue in the long run, specially in connection to products that present long life span cycles (Knecht et al., 1993; Potts 1988, in Oliva and Kallenberg 2003). Besides, services seem to react better to economic cycles which need high investments (Quinn 1992, in Oliva and Kallenberg 2003). Second, customers are requesting more and more services followed by the trend of companies becoming more flexible, dynamic, modular, specialized and technology aware (Lojo 1997, in Oliva and Kallenberg 2003). Finally, this specialization and modularity enables competitive advantage for companies, which help to attenuate competition. Moreover, competitors are moving towards this direction what leaves companies no choice but to follow. (Heskett et al. 1997, in Oliva and Kallenberg 2003) Hence, by moving towards services firms are reacting and adapting to market changing situations and thus looking for ways to create and develop new business relationships to secure their position in the new value network (Ojala and Tyrväinen 2011).

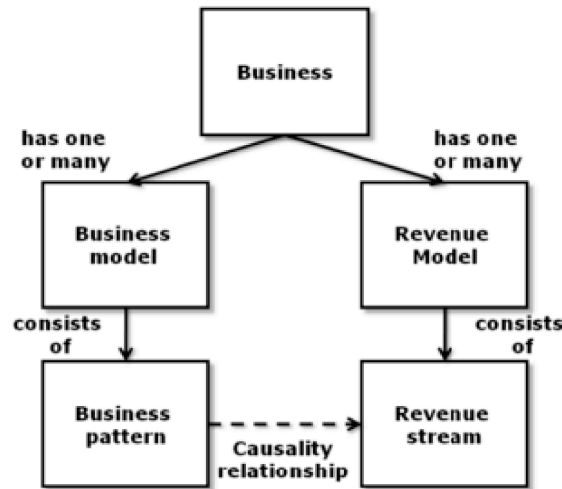
Online solutions can be regarded among other names as “web services”, “web applications”, “web apps”, “online tools”, “e-tools”, “e-services”, “e-solutions”, “online solutions”, or even simpler as “apps”, which are lately quite commonly used in the mobile industry. Fraser and Mohan (2004) define Web Service as “a service provided on the Web by a server computer that may be requested by several clients in a distributed framework” (Fraser and Mohan 2004). Thus, regardless of the nomenclature used and without going deeper into the technical aspects of how these services are to be provided to users, for the purpose of this report it is enough to know that some software needs to run somewhere as to power the solutions via the web out to the users in order to online solutions to be considered as online.

Some examples of online solutions as a service range from buying books online, reading news online, buying holidays packages online and listening to music online to even learning languages online or learning how to play guitar online.

### 3.2 Business models

What is Business? Lyly-Yrjänäinen et al. (2010) define it as “an activity that seeks profit (for the owners) by selling goods and services (products) which are produced with the use of factors of production”. Also, the authors continue on to listing these factor of productions as: natural resources, labor, capital, entrepreneurship and knowledge. (Lyly-Yrjänäinen et al. 2010)

According to Popp (2011a) Business model can be defined as: “the goods or services that a company provides and the compensation for them”. Besides, the author states that a business model comprise of three elements: the type of goods or services, the business model actors, and the revenue model. Hence, business models are related to the type of business conducted by a company, however, business models do not tell how businesses are run, but *from where* business get their profit (do not confuse business models with revenue models, answering the later the question “*how* the company get their profit”) (Popp 2011a). Therefore, the strategy or management view of a company closely depends on the business models of it. Figure4 shows the relationship between Business, Business models and Revenue model.



*Figure4. Business, Business Model and Revenue Model  
(Popp 2011a).*

As can be seen in the figure, one business can have from one to many different business models to one to many different revenue models. In fact, even the same product can follow different business models and/or revenue models to different segments. Schief & Buxmann (2012) point out that many times terms such as business models and revenue model are used interchangeably to refer to the same concept, still it is important to be aware of how and to where these are used as they may have different implications specially in the software industry.

Thus, considering as discussed above that online services can be regarded as software, Rönkkö et al. (2011) state “Software business is business of selling software (including systems software, application software, and games) either as licenses or as services and services related to development and deployment activities of this software.” Yet, the authors also point out that it is usual for companies in the software industry to obtain some income from somewhere else than the software business. (Rönkkö et al. 2011)

### 3.3 Software-as-a-Service

As discussed above, whenever using the term online, it implies the use of some software running somewhere. This software can be used only to power the online solution out to the users via the web, thus acting as a tool, or it can also become part of the main product to be offered to consumers, therefore, belonging to the business product itself of the company. For instance, a current and recent example of an online solution using software only as a tool may be a WordPress blog's content. The business product of this

blog is the content offered to the users in the form of entries and other piece of information, what makes the software or technology used in order to provide this content out (WordPress) acting only as a tool for this content to be published to the users. On the contrary, there are also many examples of online solutions that make use of this specific software as part of their business model. Online language learning sites, music streaming sites or online data storage services like Dropbox among many others are few examples of such solutions. Figure5 shows an example of two online solutions for creating blog content.



*Figure5. Example of online solutions for creating blog content: WordPress and Blogger (Lonzworld.com).*

As can be seen in the figure, two examples of online solutions for creating blog content material are shown. Taking these blog content solutions as example, let illustrate the concept of the use or not of the software as a part of the solution, as everything comes down to different interpretation. For example, for a newbie blogger who wants to start writing a blog, the important thing is the content this blog will have. Therefore, any software on the background that makes the blogging platform able to be run becomes completely irrelevant, as what really matters for the blogger is the fact of having an online blog where to publish some content. Thus, the business product of the blogger is the content to be published. However, on the contrary, for the providers of these both solutions, WordPress and Blogger in this case, their business product is not the content to be published but the platform that allows this content to be published. Thus, the specific software and technology needed to create these platforms is what really matters for them. Hence, all in all, the example puts out that for the blogger, both platforms are an example of online services whereas for the providers instead, the platforms are an example of software provided as a service, regardless of the revenue model established by the providers in order to allow the blogger make use of the platform.

Besides, within the software as a service, there are three important business models to bring out: Infrastructure-as-a-Service (IaaS), Platform-as-a-Service (PaaS) and

Software-as-a-service (SaaS) (Ojala 2013). Similarly and without going deeper into technicalities, as with the example above, for the purpose of this thesis it is important to know that the difference between these software business models depends on the interpretation taken when considering what is the functionality of the software used as business product and the party considered, as in the case of the blogger and the provider.

Furthermore, according to Ojala & Tyrväinen (2011) these three models are strongly related to the concept of Cloud Computing. This concept stands for the technology used in order to offer software to users by providing them with an online access in the form of a product or service, without them having to worry about any computer technical specs, data storage or capacity. Therefore, in the end, Cloud Computing can be seen as software as a service.

Finally, Ojala (2013) also lists the advantages related to the use of software as a service:

- Access software online when needed instead of installing it into the computer.
- Enjoy the latest version of software without installing updates.
- No need to worry about computer's technical specifications or storage capacity as most of the time everything happens over the browser.

Therefore and regardless of the nomenclature used, what is important to comprehend is that online services are regarded as software as a service only when the software itself is part of the business product, otherwise, as in the blog example, if the content is what matters only, online services can be seen simply as a service provided online.

### **3.4 Revenue models**

Popp (2011b) defines revenue model as the compensation that a company gets for its goods and services, not having to be this compensation in a payment form (Popp, 2011b). Therefore, as mentioned already, the revenue model answer to the question of how the company gets their income.

Besides, the revenue model is closely related to the business product that a company tries to take to the market. For instance, considering the blogging example again, the revenue model the blogger is to use in order to monetize or obtain some benefits out of the published content will be different than the revenue model used by the platform provider (WordDive or Blogger in our example). This difference comes from the fact that the business product of the provider contains the specific software needed in order to develop the blogging platform, whereas for the blogger the business product is all about the content to be hosted on the platform and published to the readers of the blog.

Table6 shows most common revenue models available for online solutions when software is part of the business product and offered as a service:

*Table6. Most common revenue models for Software-as-a-Service (Adapted from Ojala 2013).*

Revenue Models	Definition
Pay-Per-Use	Revenue depending on the usage which can be measured in different ways.
Software Rental / Software licensing	Revenue from renting or licensing software for a specific time range or in a subscription format.
Freemium	Offering some features for free and the rest under a paid format (Free + Premium).
Open-Source / free software	Allowing the software to be used by a third party or even offering it for free. Commonly used by public institutions or nonprofit organizations.
Content, Media or Other-format based.	Revenue coming from the content rather than from the software itself.

Thus, applying Popp's definition to the software ecosystem, the revenue model defines how a company makes profit out of their software usage. Furthermore, as seen in the table, software revenue models can be classified into two groups, those that provides income from the software usage, such as Pay-Per-Use, Software rental, Software licensing, Freemium or Open-Source/Free software; and those revenue models that despite of using the software do monetize out of something else, such as Content, Media and Other-format based. Furthermore, within the software as a service industry, the latter revenue models can be regarded as the least software oriented, in fact, these revenue models coincide with the ones the blogger in our example might for instance use as to monetize or get some benefits out of the content published. Figure6 shows many of the media revenue models available that are used recently.



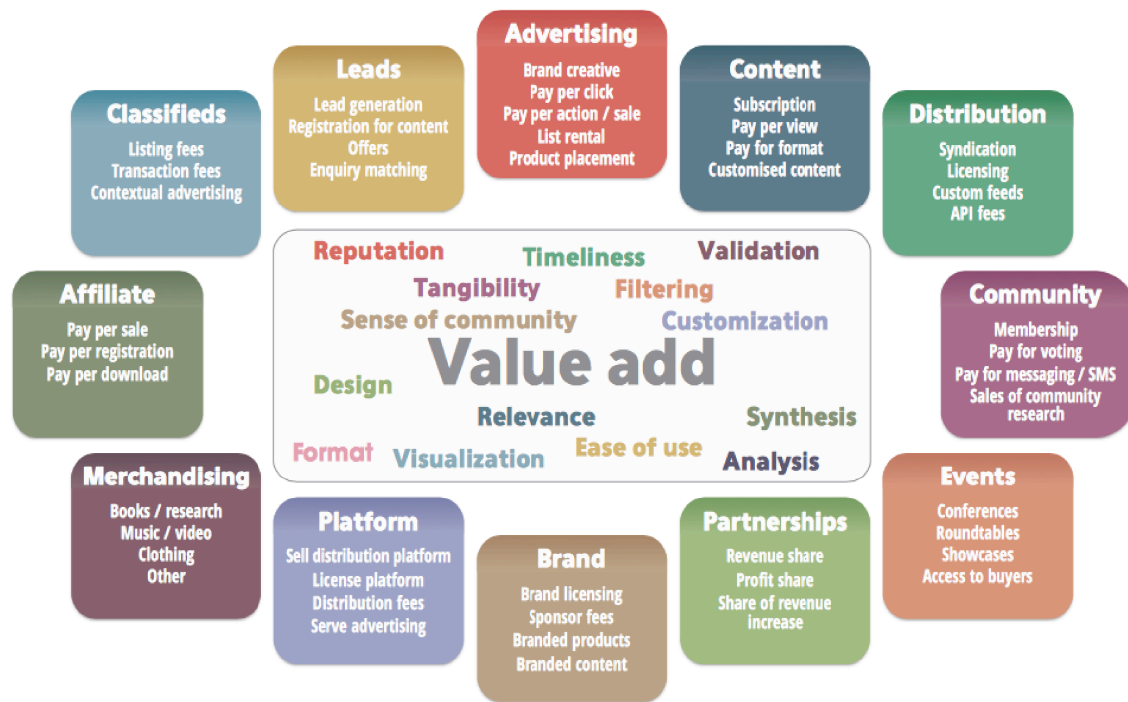


Figure6. Media revenue models (Dawson 2010).

As can be seen in the figure, all these revenue models provide some sort of income to their owners out of the content offered, and also many times by utilizing indirectly the platform in which they are located. For instance, for the blogging example, affiliate, advertising, brand, leads, partnerships, events and those based on communities could be of a great help in order to get good and stable incomes on the published content.

Recently, this phenomenon of using media revenue models for obtaining income is rather frequent and common. Besides, it is oriented only for online services that look for monetizing out of pure content, as the blogging example, but also for those companies having software as part of the business products and offered as a service. As FigureX showed, due to a variety of different and diverse reasons, it is perfectly normal for companies to have many different revenue models on the same product, thus explaining why companies do use media revenue models with software products also.

In addition, likewise the content based subscription media revenue model, for software as a service, as seen in Table6 above, the pay-as-you-go or pay-per-service can be regarded as the software subscription-like revenue model. The idea of this model is to pay for software usage according to different indicators. Besides, the current browser-based character of online solutions makes these subscription-like revenue models be commonly used due to the ease to measure in one way or another the usage of software done. (Rönkkö et al. 2011) However, for software manufactures the use of these models do present some disadvantages as well. Table7 shows the pros and cons of these revenue model from the software manufacturer's point of view.

*Table 7. Advantages and disadvantages of Pay-as-you-go and Pay-per-service revenue models for software manufacturers (Adapted from Ojala 2012).*

Advantages	Disadvantages
Diversifying customer base	Risk of not covering development costs
Promoting network externalities effect	Need of accurate usage rate measurement
Limiting software piracy	Lowering customer switching costs

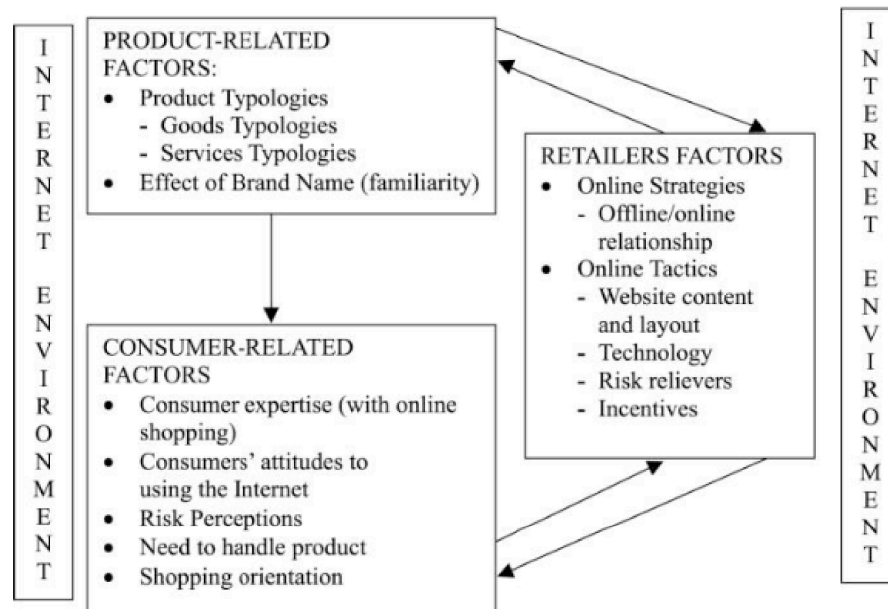
As can be seen in the table, where lower switching costs is a sounded disadvantage for manufacturers, it does become an important advantage for customers as it make customers eager to try the different alternatives offers without having to incur in high costs, thus holding negotiation power. Therefore, in order to diminish this power, online solutions providers make use of marketing campaigns together with freemium models as to raise and gain customer awareness. However, Rönkkö et al. (2011) claim that with the use of subscription-like revenue models, the need of complicated usage measurement techniques reduces, thus leading to a decrease of costs and then risks for the provider. Furthermore, the authors continue stating that by using different sales modes and channels, online software solutions providers do obtain bigger revenue than when selling larger amount of software systems deliveries. Therefore, those online software companies that do use almost half of their budget to marketing and sales activities tend to acquire a higher number of customers, who despite of spending a smaller fees on the services on a timely based, this higher number will suppose a bigger rev for providers in the long run. In addition, this bigger customer base generated leads to recurring revenue predictability, helping to the development and success of the company. (Rönkkö et al. 2011)

Finally, Rönkkö et al. (2011) also state that business models and revenue models have a highly influential and fundamental role towards innovation, meaning that it is important for companies to select a business model and revenue model in line with the innovation management process of the company in order to trigger other possible innovations or lead to future improvements.

### **3.5 Purchase behavior influencing online solutions**

When acquiring online solutions, peer recommendation and endorsement seem to be regarded as super influential among consumers many times even over their own personal shopping experiences (Smith et al. 2005, in Ha et al. 2010). Numerous proliferation of blogs, social networks and all sort of community-based information channels hold great impact on these decisions (Herring et al. 2005; Bernoff and Li 2008, in Ha et al. 2010). All these forms of providing online referrals can be seen as the

modern way of conducting word of mouth, which have been proved to be even more effective than many marketing tools such as personal selling and advertising (Bickart and Schindler 2001; Goldsmith and Horowitz; 2006 in O'Reilly & Marx 2011). Figure7 shows the relationship between the three key factors influencing purchase behavior online.



*Figure7. Three key influencers on purchase behavior on the internet  
(Dall'Olmo Riley et al. 2005, in Dall'Olmo Riley et al. 2009).*

As can be seen in the figure, the combination of products and services or the influence that a brand may cause or effect are some examples of product-related factors on online solutions. Moreover, the above-mentioned peer recommendation, endorsement or even a more traditional word of mouth can be seen as part of the consumer-related factors. In addition, finding the right balance by combining online and offline not only as part of the communication channels, but also in the distribution and services ones helps not only to reach a bigger customer base, but also to obtain customer satisfaction are regarded as retailers factors. (Dall'Olmo Riley et al. 2009) Moreover, Sakarya & Soyer (2013) add that even though not physically experiencing a product can be seen as one important limitation towards online shopping, it becomes an opportunity towards finding this balance.

Besides, Sakarya & Soyer (2013) keep on stating that consumers prefer buying online products with a specific price interval as they search for information to compare, specially when attribute preferences can be chosen, making them become more price-sensitive. However, issues with misleading and lack of product information, unorganized online sites and too many product choices are still important disadvantages of online shopping in comparison to offline ones.

In addition, Singh (2002) claims consumers finding it really easy to shift between competitors that can satisfy their needs (Singh 2002, in Ha et al. 2010), which together with the increasingly use of open source software (Rönkkö et al. 2011) can be regarded as both product-related and retailer-related factors, yet both are strong influencers towards online purchase behavior attitudes as any other consumer-related one. Nevertheless, Kozinets et al. (2010) warn of a different phenomena identified as word of mouth marketing (WOM) which involves “intentional influencing of consumer-to-consumer communications by professional marketing techniques” (Kozinets et al. 2010, in O’Reilly and Marx 2011). Some of these actions are regarded as “intentional” marketing activities, thus leading to credibility and trustworthy issues, specially when coming from people or sites with whom no previous relation have been established (O’Reilly and Marx 2011).

Accordingly, the authors claim that product-related and consumer-related factors strongly influence on e-marketing strategies and tactics, including the right balance of selecting offline and online channels. Equally, retailer factors hold an important role in reducing difficulties coming from product characteristics and risks on customer perception, which helps to create an online purchasing environment that besides promoting purchasing, it also leads to enjoyment and customer satisfaction. Furthermore, a right combination of these three factors helps to lower distribution costs and enables the searching of new customers, lowering entry barriers. Lower entry barriers encourage price competition, higher interactivity level and a greater attitude towards repurchase intention. (Dall’Olmo Riley et al. 2009)

Lastly, towards the goal of acquiring a complete understanding of how shopping attitudes impact online purchasing behavior and how these insights can help marketers when penetrating a market (Sakarya & Soyer 2013); cultural characteristics and differences towards consumers' online shopping attitudes cannot be forgotten (Järvenpää and Tractinsky 1999; Lynch and Beck 2001, in Ha et al. 2010).

To sum up, this chapter has dealt with online solutions as a service, where the shift from product to services and the advantages services provide have been discussed. Then, it has continued on discussing business models and revenue models, however in between, the importance and relevance that software has on online solutions, which in many occasions goes completely unattended, has been brought out in order to better understand how it influences both models. Within revenue models, those based on the software and media have been discussed and their differences addressed. Finally, the chapter concludes with a discussion on how purchasing behavior influences online solutions, making up some the pillars to the challenges identified in next chapters.

## 4. ONLINE LANGUAGE LEARNING

### 4.1 Online learning

Kist and Brodie (2012) define online learning activities “tools to assist students learning and to improve their engagement.” (Kist & Brodie 2012). Furthermore, (Kist & Brodie 2012) point out that some extra specific form of software is actually needed to facilitate and enable this learning (normally via cloud computing).

Therefore, based on both definitions, while a cd, dvd or usb containing language recordings or songs can be in fact an effective learning complement, it cannot be taken as an online learning solution whether its content may have been retrieved or played online. Moreover activities, such as: reading news online, browsing blogs, watching videos from an online video platform like Youtube and searching for product information can not be regarded as online learning as all the weight of the learning falls strictly into the user capacity, as there is no specific software that may trigger this learning.

Mayadas and Miller (2014) list the advantages of online learning as:

- Elimination of the geography barrier.
- Technology-enhanced learning to serve the learners, their life experiences and the opportunities and limitations of the particular environment.
- Allowing and improving access for all sort of students regardless of factors. such as age, gender, race and those in relation to a degree of disability.
- Improving efficiency and effectiveness by using e-learning resources to measure learning, obtain feedback, control cost and estimate the learning pace.
- Offering students the chance to decide when, where, and how to develop the learning process.

Examples of online learning services range from platforms like Moodle, aTutor or Claroline (Learning Management systems, LMS) that support the learning by providing authentication, access, management, creation and evaluation services to the content stored (Sancristobal et al. 2012); to tools that actually help with learning languages like WordDive, Duolingo or Memrise or even gigantic education platforms that besides offering LMS services, they do offer also integrated applications to help with the

learning of all sort of subjects from learning how to code to business marketing or even philosophy. Examples of these education sites are Coursera or CodeAcademy among others.

## 4.2 Types of online learning

Same as a broad nomenclature is used for referring online solutions, when it comes to online learning, the literature on online learning follows the same pattern. For instance names, such as online learning, online learning services, online learning solutions, online learning tools, e-Learning tools, e-Learning services, e-Learning solutions and e-Learning activities, among many others, are used interchangeably when referring to online learning solutions. According to Gamalel-Din et al. (2014) one important reason seems to be the lack of knowledge available concerning the e-Learning market, the services e-Learning requires and demands, the nature and types of organizations involved in the e-learning world, the size of these organizations and of the needs and objectives these organizations might be seeking (Gamalel-Din et al. 2014).

Researchers define e-Learning as “distance education that uses computer-based technologies, information communication technologies (ICTs), and learning management systems” (Derouin et al. 2005; Govindasamy 2001; Lowe and Holton 2005; in Sawang et al. 2013). Even though, it stills presents some failure rates in comparison to more traditional teaching-conducted courses (Zaharias and Poylymenakou 2009, in Sawang et al. 2013), the concept of e-learning have been vastly researched and studied. In fact, some of its benefits have been just discussed above in the section 4.1 when listing the advantages of online learning services. Therefore, based on the definitions of e-Learning and online learning and considering that both present same advantages, it is strongly reasonable and understandable to regard, identify or even use interchangeably the terms: e-Learning and online learning.

However, considering the examples listed in 4.1, there seem to be two different patterns of online learning solutions. The first pattern corresponds to those solutions that seem to provide a platform for accessing and managing content related to specific subjects. For example, learning management systems such as Moodle or aTutor implement this approach. On the other hand, the second pattern corresponds to those solutions that enhance and enable the learning by using a game-like interface, thus despite of also being online learning solutions, they are regarded more as tools. For instance, WordDive Duolingo or Live Mocha for learning languages and Yousician for learning how to play guitar implement this pattern type within online learning solutions.

Based on this classification, this first pattern is actually the one that gets commonly regarded and identified in the literature as e-Learning whereas the second one, these online learning tools, becomes challenging to classify within the online learning world.

### 4.3 Classification of online learning tools

As pointed already, literature is full of material on online learning, specially concerning the advantages and benefits that online learning brings for students and institutions that have integrated it into their educational systems. Besides, it can be found, to some extent, some information on game learning in the literature, which addresses how the learning can happen while playing real games. Conversely, a vast of information can be found on online products and tools as well. However, when it comes to online language learning tools, there is neither much information nor a standard way classifying them, despite of them being both online learning and online tools.

From being online tools, they are based on the cloud-computing architecture under the software-as-a-service paradigm, which besides allowing them to run over the browser, this architecture provides other advantages, such as no need to worry about technical specifications of the computer, software installations or even storage capacity; automatic updates and latest versions; and access to set-ups and/or configuration parameters over the browser. (Ojala 2013) From being online learning tools, online language learning tools do also contain software to enhance the learning. However, besides this software, they do also contain specific software that not only supports the learning, but also enables it by individually adapting it to the way students learn with the use of specific algorithms. Figure8 shows a possible classification of online language learning tools based on this discussion.

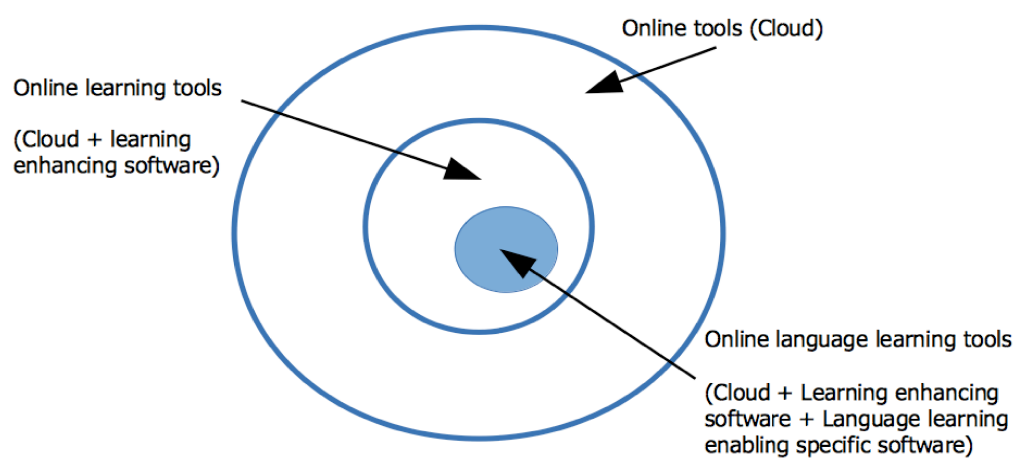


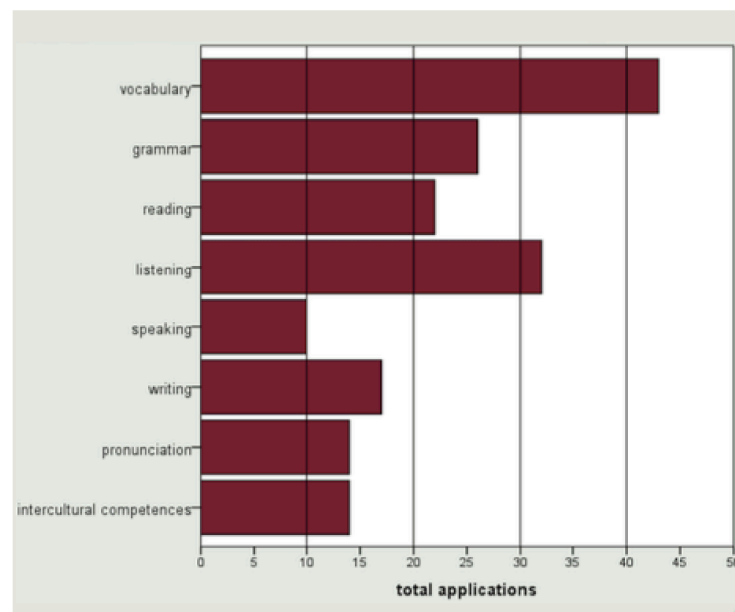
Figure8. Classification of online learning tools.

Therefore, from the previous discussion and as can be seen in the figure, a possible definition for online language learning tools is proposed to be:

*“Online language learning tools are online tools built on specific developed software, which run on the cloud and that not only enhance the learning, as online learning tools do, but create and enable it by using built-in intelligence for learning a foreign language”*

## 4.4 Types of online language learning tools

There is no standard way of classifying online learning tools. Hence, these can be regarded according to many different factors depending on the characteristics or features to be pointed out. For instance, Figure9 shows below the most common different types of language aspects that these can cover.



*Figure9. Languages aspects considered by online language learning tools (Lüneburg 2014).*

As can be seen in the figure, from a comparison of the 50 tools more popular in the market, those solutions focusing on learning vocabulary seem to be the most popular, followed by those focusing on listening, grammar and reading comprehension.

Another way of classifying online language learning tools can be based on their type of business model or revenue model they present. For example, for many of companies specialized on language learning, their learning tools constitutes their main business product. Examples of these companies are WordDive, Memrise, Babbel, Busuu or



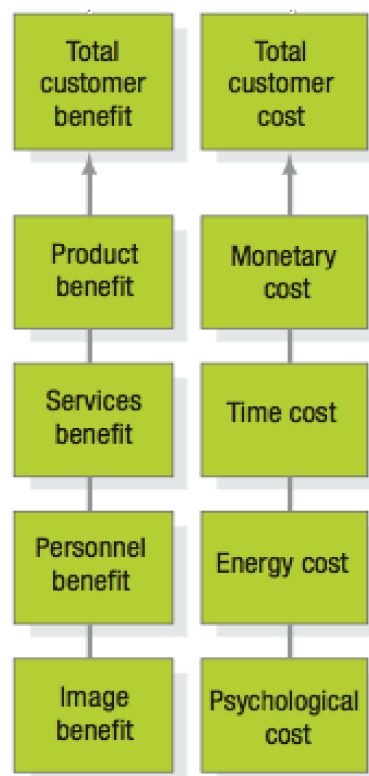
Rosetta Stone. However, Duolingo's business model consists on offering translating services. To fulfill this purpose, Duolingo have developed a free language learning tool that turn language students into an online working force, translating content from the Internet. (Simonite 2012) Furthermore, the revenue model used by many of these tools is also different. Many base their main form of income from combining both software-as-a-service revenue models with content, media or other format related ones.

To sum up, this chapter has covered online language learning. First, it has defined what online learning as well as listing the advantages online learning provides. Then, it has continued on discussing the types of online learning in order to state what characterizes online learning and what is not online learning. Afterwards, a framework on online language learning tools has been provided by identifying to where these tools belong within the online learning ecosystem and explaining the difference between them. Finally, the chapter ends by classifying different types of online language learning tools.

## 5. CHALLENGES IN MARKETING ONLINE LANGUAGE LEARNING TOOLS

### 5.1 Customer value

Zeithaml (1988) sees customer value as the overall evaluation of the benefits of a product, good or service, based on the perception of what is received in exchange of what might need to be given. Ojala (2013) points out that most customers know quite well the requirements this certain product must have, but still they do not seem to see recognize the real benefits that fulfilling these requirements supposes to them. This means that identifying the customer value is not a simple and straightforward process, specially when besides economical benefits, other such as functional, psychological and personnel ones can also apply, and as well, perception plays an important part. Figure10 shows the possible types of benefits and costs that might occur.

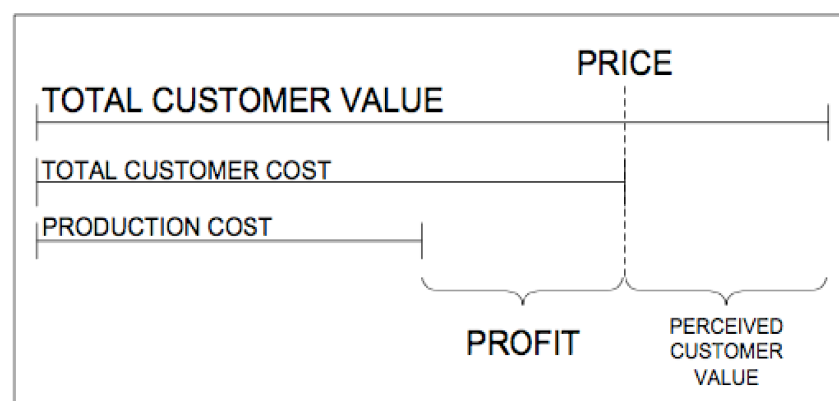


*Figure10. Total customer benefit, total customer cost (Adapted from Kotler & Keller 2009).*

As can be seen in the figure, the sum of all these benefits comprises the total customer benefit. Similarly, the sum all of costs makes the total customer cost, where also the costs of disposing the product need to be taken into account. Therefore, based on the definition of Zeithaml, the total customer benefits would comprise the customer value. However, these perceived benefits do not come without costs, therefore there is always an evaluation of the “real benefits” that will be obtained once the costs have been considered, as Zeithaml also points out.

Hence, as perception takes a major role in identifying these “real benefits”, most of the times, customer value is regarded as perceived customer value. Still, let use an example to explain the slight difference between those two. Let suppose that using an online service helps a worker to save two hours of her working time and that with each working hour, she can make 100€ profit. Therefore, the customer value of the online service for this worker is of at least 200€, meaning the 2 hours saved times 100€ per each. As physiological benefits might apply and perception takes a major role, the benefits of using this online service might well be higher than 200€ if she also have some extra time to drink a coffee peacefully during these two hours.

However, she is aware that in order to use the software, a monthly subscription needs to be paid. Moreover, she needs to spend some time in order to learn how to use the online service and to configure possible set-ups needed from time to time. Further, configuring these set-ups might cause the computer to behave weirdly sometimes or even to freeze. Thus when subtracted the perceived inconveniences together with the monthly subscription from the 200€, she gets the real value of using the online service. Figure11 shows a representation of the relation described between customer value, total customer cost and perceived customer value.



*Figure11. Perceived customer value (Lyly-Yrjänäinen et al. 2010).*

Thus, the difference between the total customer value (total customer benefits) and the total customer costs is the perceived customer value. Further, the figure also shows the

profit a company makes, being this profit the difference between the price of a product and the costs of producing it.

The perceived value of a product can be changed by increasing economic, functional, or emotional benefits and or decreasing one of many costs. Moreover, it can not be forgotten that the perception of this value also changes when comparing a product with those others offered by competitors. Thus, a customer choosing between two value offerings will select the one that in his opinion provides a higher customer-perceived value. (Kotler & Keller 2009)

## **5.2 Customer satisfaction and loyalty**

“Customer satisfaction is the result of a customer perception of the value received in a transaction or relationship” (Hallowell 1996; Heskett et al., 1990; Blanchard and Galloway; in Jahanshahi et al. 2011). Further, Kotler & Keller (2009) state that customer satisfaction can be measured by assessing the feelings and degree of disappointment of a customer when comparing a product’s perceived results to the expectations the customer had for it. Further, the concept of customer satisfaction goes closely in relation to the concept of customer value, as the customer's perception of the performance of the product plays again a major role. Thus, the higher the level of satisfaction, the higher customer-perceived value and vice-versa.

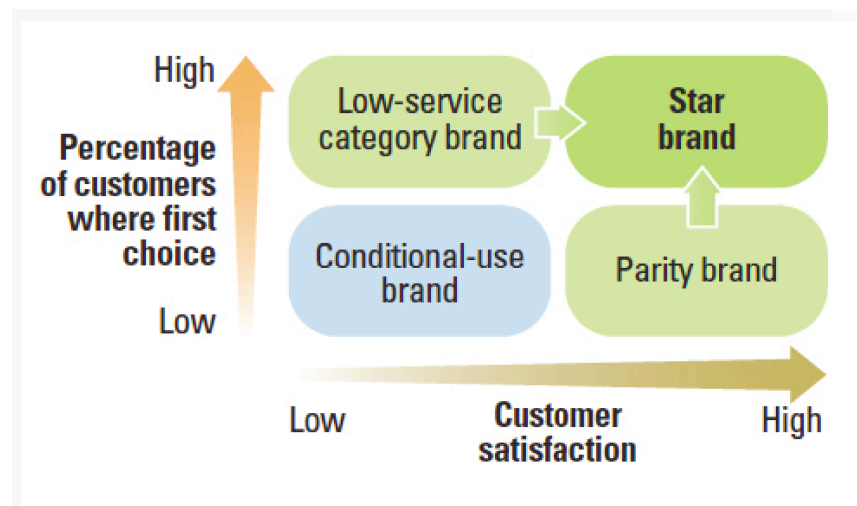
Besides, Pulido et al. (2014) bring out the importance of consistency in order to achieve customer satisfaction. They state there different types of consistency:

- Customer-journey consistency
- Emotional consistency
- Communication consistency

Customer-journey consistency refers to trying to improve all the steps and stages in relation to the journey a customer takes in order to deal or access to a certain product, good or service, and not only improving the performance of the product itself. For instance, actions such as, easily finding their way to the product's website; offering an easy and clear way of signing up for the free-trial; showing up-to-date and accessible information; making it plain simple for customers to unsubscribe from newsletters and other unwanted services. These actions do relate a lot with the satisfaction a customer experiences in relation to a specific product, regardless of how good the performance of the product itself can be. (Pulido et al. 2014)

Emotional consistency entitles to forge a relationship of trust with customers. When a customer has the feeling of trust not only influences a lot in the customer satisfaction but it becomes an essential part in order to begin a long-term relationship what translates into customer loyalty. As the authors put it, it helps to gain the feeling of “a brand I that I can trust”. Any actions conducted towards solving customer's problems, avoiding non-deceitful practices really help to trigger emotional consistency. Then, communication consistency intends to guarantee that these emotional actions are recognized by the customers. To that it is important that the company follows a low-key attitude relationship with customers where similar values, key messages and company's philosophy are openly communicated and expressed. This communication consistency enables that customers become aware of the accomplishment of the promises and actions made by the company which transforms into satisfaction and trust. (Pulido et al. 2014)

Kenninghan et al. (2014) do also highlight how customer satisfaction closely goes hand in hand with choosing a product as first choice. Figure12 shows the relationship between customer satisfaction and the first choice.



*Figure12. Relationship of customer satisfaction and product first choice (Keiningham et al. 2014).*

The authors define four different stages based on a low or high degree of customer satisfaction and high or low degree of first choice election of a product. These four stages are: Start-brand, Low-service category brand, Conditional-use brand and Parity brand.

The Start-brand stage represents the best scenario where customer satisfaction on a product is high and therefore, this product becomes their first choice over others. This first choice and trust on a brand usually leads to customer loyalty and long-term relationships as customers. Also, with a higher degree of customer satisfaction, parity

brand represents that stage in which customers are quite satisfied with a product, but still they do not consider this as their first option due to the lack of features or other characteristics than others might still provide. Despite of not being always the first choice, parity brand companies are doing things quite well as their customers seems to be really satisfied, but still they need to focus on improving their offering if they want the customers to stay longer. Then on a lower scale of satisfaction, low-service category brands are regarded as those companies which despite of many reasons making customers not being satisfied with their offering, customers still choose it over the competitors in first place. These reasons to this might be related with the fact of offering a good product but bad customer service, lack of competition and strong partnership relations. Free offerings constitutes a high reasons of customer choosing a brand as first choice despite of their degree of satisfaction. Lastly, the conditional-brand stage represents those offerings that do not present neither a good customer satisfaction nor are considered as a first choice. Most of the time the few amount of customers that make use of conditional-brand's offerings is because of some limitations, such as price, lack or unawareness of alternatives or a compulsory character among others.

As customer satisfaction is highly based on perception and own expectations, which tend to be personal and vary greatly between customers, companies make use of the Net Promoter Score (NPS) in order to measure customer satisfaction. The NPS is a simple but straightforward and effective way of obtaining valuable information straight from the customers. This consists on asking customers about their willingness of recommend the company or brand to others on a scale from 0 to 10. (Medallia 2015) Figure13 shows how to calculate the NPS together with the classification of the customers based on the score given.

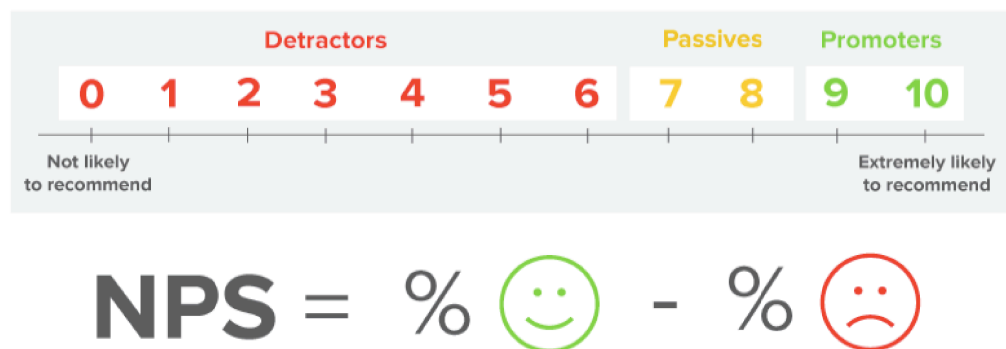
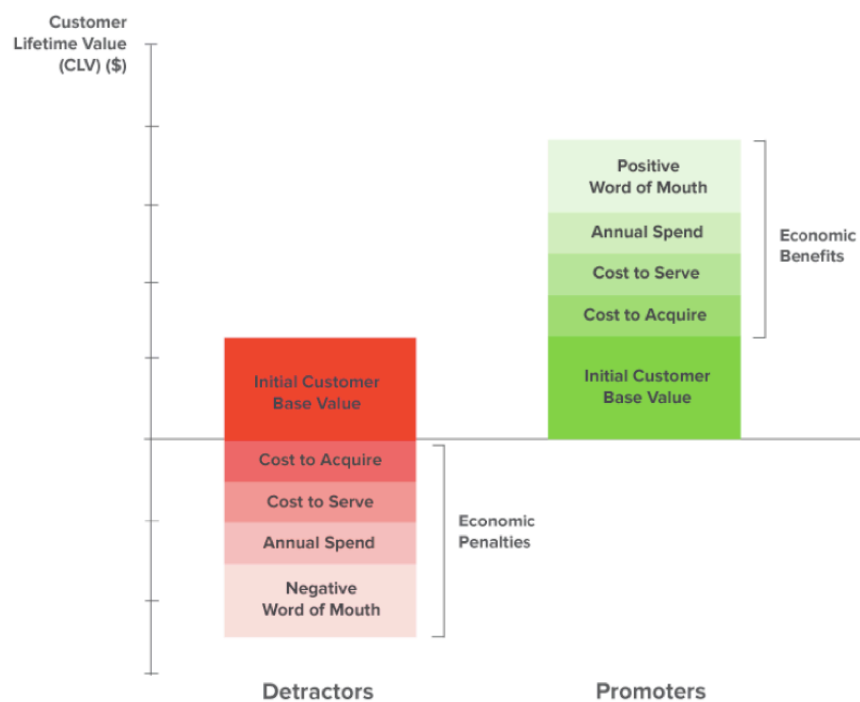


Figure13. Net Promoter Score (Medallia 2015).

As can be seen in the figure, based on the score given, customers are divided into three groups: detractors, passives, and promoters. Then, by subtracting the detractors' percentage from the promoters' percentage, the NPS percentage is obtained, ranging from -100% and 100%. A positive NPS means that customers are likely to recommend

the product to others, what indicates that they are somewhat satisfied. On the contrary, a negative NPS represents a dissatisfaction with the company or brand.

Further, when identifying detractors, passive and promoters help also to obtain a more clearer vision of how effectively the resources of a company are being used so far. This can help not only to rethink the strategies followed and try to find out what is making detractors give such low score in order to improve, but also to better address and satisfy those customers who are really contributing to the success of the company, the promoters. Figure14 shows the relationship between customer value and promoters and detractors.



*Figure14. Customer lifetime value of detractors and promoters (Medallia 2015).*

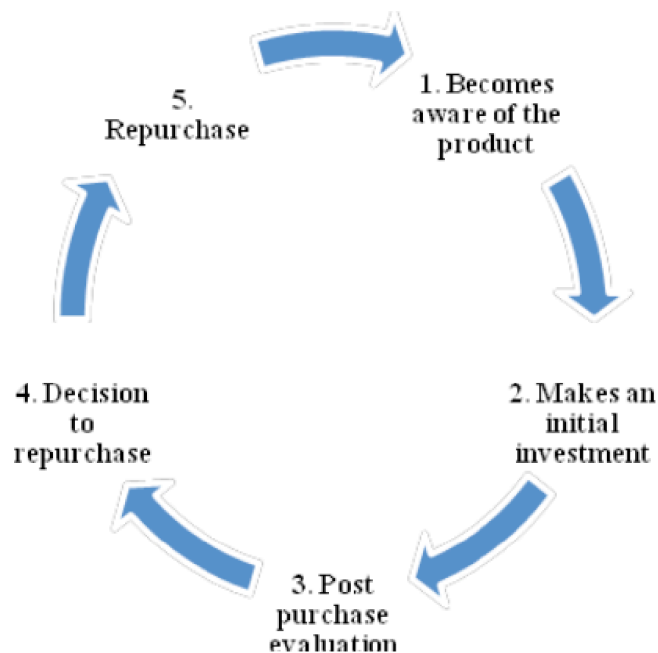
As can be seen in the figure, detractors not only suppose a high source of cost for a company but also they are a huge threat towards the future success of it by spreading their dissatisfaction to the outside, as their perceived customer value is really low or even negative. Conversely, all the cost invested on promoters such as the cost to acquire or the cost to serve becomes worthy for the company due to their high perceived customer value, which transforms into positive actions that bring economic benefits in the long run. Therefore, the NPS besides being quite a good estimation for customer loyalty, it also helps to roughly estimate the business growth potential of a company (Jahanshahi et al. 2011). Therefore, both perceived customer value and satisfaction are strongly determinants towards customer loyalty, as a change the customer's perception on the company or brand will importantly influence its continuity as a customer in the future.

Finally, Kumar and Shah (2004) point out that even though customer loyalty is dependent on wide variety of factors, it comes down to two important principles:

- Having trust on the company or brand.
- A perceived customer value greater than the one supplied by competitors.

These two principles lead to create a customer emotional attachment to the company prone to last for a long period of time (Kumar and Shah 2004, in Jahanshahi et al. 2011).

Besides, customer loyalty can be classified into two types: behavioral loyalty and attitudinal loyalty (Kumar and Shah, 2004; Blak and Parks, 2003; Bell et al 2005 and Dean 2007, in Jahanshahi et al. 2011). Behavioral loyalty corresponds to that related to the own characteristics, attributes and personality of a customer and attitudinal loyalty is related to some factors that might influence a customer into a specific mindset or opinion. Hence, as was discussed in Chapter3, in the Internet ecosystem, product-related factors, retailer-related factors and consumer-related factors can all be regarded as attitudinal loyalty as they hold much importance to the purchase behavior. Furthermore, as stated by Jahanshahi et al. (2011), customer loyalty is directly related to purchase intention. Figure15 shows a first time buyers' purchase cycle intention.



*Figure15. The purchase cycle intention (Griffin 2002, in Jahanshahi et al. 2011).*

As can be seen in the figure, according to the authors the first time buyers' purchase cycle intention consists of five stages. Becoming aware of the product is the first one, in other words, knowing of the existence of the product. After knowing that the product exists and trying it for a while and based on positive first satisfaction, the potential first



timer customer will proceed to make an initial investment in order to get acquaintance more with the product, being this the second stage. The third stage consists on a post purchase evaluation of the product, what basically consists on evaluating the results provided by the first time utilization of the product. If the perceived customer value of the product when compared with other offerings present in the market is positive, then it will lead to a decision of repurchase the product, what it also indicates a high level of satisfaction with the product. Finally, by actually repurchasing the product, it points out the customer's compromise to a long time relationship commitment, meaning customer loyalty.

### **5.3 Cultural factors influencing online purchasing**

Quoting Hofstede, "Culture is defined as the collective mental programming of the human mind which distinguishes one group of people from another". However, the author also points out that people are all different from each other and that in a given society there are many differences between individuals. In fact, he states that it might well be that the differences among individuals in one culture are bigger than the differences among the rest of all the cultures. (Hofstede et al. 2010)

Hence, the culture of a community is the main characteristic that fuels the differences in consumer behavior. These differences are also present in the digital era, where around 85 percent of Internet users conduct any kind of online shopping. (Sakarya & Soyer 2013) Besides, cultural characteristics hold a high influence in consumers' online shopping behavior and their posterior customer satisfaction, which reflects in their perceived customer value. (Järvenpää and Tractinsky 1999; Lynch and Beck 2001; in Ha et al. 2010). Yet, despite online shopping behavior having been extensively researched, there seems to be a latent lack of research when considering the known implications of cultural differences and their influence on online shopping behavior (Sakarya & Soyer 2013). This little amount of research must have to do, most probably, with the extensive variety of factors, characteristics and considerations within a culture that are needed to consider and that may influence when facing such topic.

Nevertheless, the nature of such study, however interesting, does correspond to a different field of science and therefore analyzing these factors fall beyond the scope of this thesis. Yet, it becomes important to acknowledge their continuous relevance and implications as cultural factors have influenced in a high degree the results of the case study conducted in this thesis. Therefore, a brief discussion on some important terms and concepts will be conducted in order to facilitate the comprehension of the following sections and the case study conducted. Table 8 shows different streams of research conducted in the field of online purchasing and their factors related to cultural aspects influencing each of the streams.

*Table8. Some streams of literature research conducted on online purchasing (Adapted from Sakarya & Soyer 2013).*

Researched topic	Influencing factors studied
Online purchasing adoption	Demographics, cognitive, behavioral motives and web shopping adaptations.
Online purchasing influencers	Web search behavior, web shopping attitudes, web-site attributes and online purchasing quality.
Consumer's experience Vs. Consumer 's perception	Types of goods purchased, importance of previous experience and brand loyalty.
Online purchasing behavior	Purchase frequency, goods purchased, online site type and payment method.

As can be seen in the table, factors influencing online purchasing are many and broad. Many of these are subjective and intrinsically connected to people's qualities and characteristics, such as those dealing with demographics, cognitive and behavioral motives, making them strongly cultural dependent and connected. Others, such as web search behavior, web-site attributes, types of goods purchased, purchase frequency and payment method might not be regarded as strongly cultural related, still, their perception and influence varies among different cultures.

For instance, the purchase frequency of Chinese shoppers is monthly whereas most European consumers are most likely to buy online even several times a week. Within Europeans, the French and Spanish online shoppers seem to buy not more than once a week when compared to Germans and Swedes. (Milong 2010, in Sakarya and Soyer 2013) Purchase frequency can be regarded to some extent closely related to trust, which according to Sakarya and Soyer (2013) it seem to vary a lot between cultures and is to be seen as critical when it comes to transactional relationships with uncertainties between sellers and buyers and when dealing with high value products.

The consumption factor does also vary a lot between cultures. For example, The Chinese culture is regarded more as functional and utilitarian culture when it comes to online purchasing in comparison to the high level of emotional and psychological purchasing expected from North Americans. Functional consumers tend to purchase more technology product whereas emotional consumers purchase more health and beauty products.

Finally, those consumers who tend to spend more time shopping around before purchasing online products are regarded to be be more influential at communication actions such as referrals or word of mouth (Sakarya & Soyer 2013). Furthermore, this

facility of shopping around provided by the online ecosystem gives consumers a chance of compare and constantly look for the high quality products at low price when there is no free option available.

## **5.4 Challenges when marketing online language learning tools**

Challenges associated to the marketing of online language learning tools can be classified into two types: those challenges in relation to the development of tool, thus indirectly influencing also the marketing of it later on, and those challenges related to the marketing itself of the tool. Furthermore, Sakarya and Soyer (2013) stress the importance that usability and utility have in online learning tools when compared to other online tools, as online learning tools are strongly linked to customer satisfaction, which translates into customer loyalty. In addition, marketing campaigns do seek for acquiring customer loyalty, thus making both types of challenges closely interrelated.

### **5.4.1 Challenges related to the development of the tool**

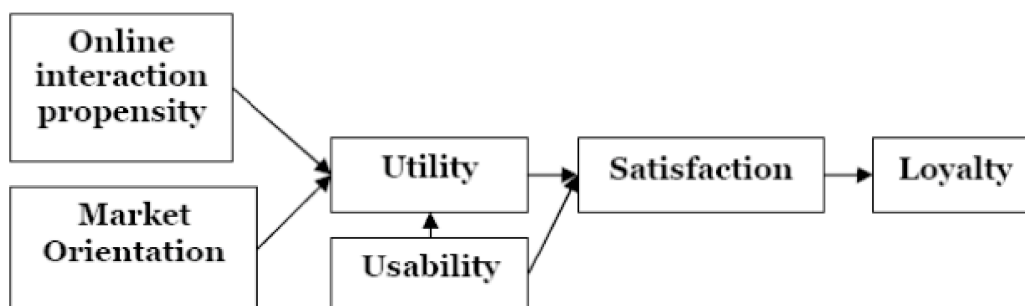
Being online learning solutions a subcategory of online solutions, it is important to keep in mind that product-related, consumer-related and retailers factors continue being three key factors when it comes to online purchase behavior towards online learning solutions, as Figure7 showed in Chapter3. Yet, there are other elements which hold a strong influence in online learning solutions due to some of their specific characteristics.

The fact of online learning solutions having specific software as part of the business product makes them to incorporate business models from the software industry in order to cover the expenses incurred from developing this specific software. Rönkkö et al. (2011) enumerate the three aspects that any software company business model needs to highly address in order to become a successful software-as-a-service business:

- High scalability is achieved through low customer-specificity in service and low need for integration work.
- Pay-as-you-go model includes selling service with on-demand model and applying usage-based pricing.
- Online delivery incorporates a browser-based product with no client application installations needed.

Even though these aspects are for companies selling only software as their business product, which is not strictly the case of online learning solutions as they do also offer important content and other benefits along, still they tend to follow these aspects at

some extent. For instance, most of the online learning solutions are browser-ready, they do not require of previous set-ups or configurations to be made and when not offered for free, tend to follow freemium or subscription models (pay-as-you-go philosophy) together with the content-related or media-related revenue models used as Figure 6 showed in Chapter 3. Two examples can be Spotify for listening to and learning music and WordDive for learning languages. Figure 16 depicts a simplified marketing strategy followed in the online learning industry.



*Figure 16. Marketing online learning solutions (Murillo & Velázquez 2008).*

As can be seen in the figure, in the online learning industry as in any other, gaining customers and keeping them loyal becomes a key issue, yet besides market orientation and online interaction propensity, utility and usability are also important pillars towards achieving customer satisfaction.

Market orientation refers to the character of a solution as being user friendly customer oriented. Online interaction propensity applies to the ability of people of not only to be familiarized with using online learning solutions, but also with being able to use the Internet in general. (Murillo & Velázquez 2008) Furthermore, depending on the nature of the product and cultural aspects, many of these factors can be used as bases for segmentation.

According to Lüneburg (2014), the development of educational games is a rather complex issue where didactic demands and technological possibilities often do not go together. Despite of being many applications that have been really well designed for specific purposes, still he states that identifying some of the challenges present in designing and implementing applications for language learning it is fundamental. (Lüneburg 2014). Furthermore, Marciano et al. (2012) classify these challenges in three areas:

- Interface and interaction
- Context
- Culture

Interface and interaction challenges mainly relate to how multimedia graphics, resolutions, audio and video resources are used in order to make the tools more interesting and useful while helping and enabling the learning at the same time. For example, how mobile devices may display fonts in a smaller size causing trouble to those learning languages whose alphabets contain symbols or use a different calligraphy like Chinese, Japanese or Russian. Towards interaction, a constant and immediate feedback to the users seems to be of a fundamental importance in order to help them to learn and stay motivated. (Marciano et al. 2012)

As for context and culture, Marciano et al. (2012) point that different cultures have different approaches when learning languages and therefore these should be taken into account when considering what types of material and topics should be offered and treated. Besides, different varieties of the same language need to be considered as to address different type of learners, like for instance, Spanish spoken in Spain or Spanish spoken in Latin America. Further, they go on highlighting that users of language learning tools can come from many different parts of the world where the presence of technology is not that strong and therefore, simplicity might work much better in order to stimulate the learning than late features or measurement which do not provide much to the users.

Finally, Kist and Brodie (2012) define some inconveniences present in online learning tools, which also need to be kept in mind when developing online language learning tools:

- Inconsistent delivery of online courses.
- Disorganized learning environment and incomplete materials.
- Learning tools not functioning properly.
- Lack of support from staff.
- Insufficient opportunities to interact with staff and students.
- Inflexible options for how students learn.
- Lack of pre-existing skills or knowledge.
- Lag time in the system and lack of feedback from the system.

As Kist and Brodie (2012) point out, the quality of the service (usability) can affect a lot on the quality of the learning experience (utility) (See Appendix 3). Thus, these inconveniences can not only affect the success of the online language learning tool, but also become a real challenge to the marketing of it by influencing considerably on the customer purchase behavior.

### 5.4.2 Challenges related to the marketing of the tool

Due to the increasing number of online applications, marketing challenges are mostly related to finding the right communication channel, thus addressing the P for place of the marketing mix. Therefore, the first mission of these online applications is to make possible users aware of their existence, among the millions of other alternatives present, in order to attract them to their respective websites. Once awareness becomes a reality, to translate this into customers companies need to pull the right actions, which becomes another different and difficult challenge. (Simonite 2012) Actually, this whole process is nothing else but the first time buyers's purchase cycle intention discussed above and showed in Figure 15.

Revenue models do also play a fundamental role toward making customers decide on one tool over the other, specially when the Internet world has enabled the access to many different tools and the evaluation of them in comparison to the others super easy. Free trials and freemium revenue models are quite tend to work really well when it comes to attract potential customers, as they allow easily to try the tool before having to incur in any cost. Yet, those tools offered entirely for free tend to hold a primary and solid important advantage over commercial versions, as Kumar (2014) points: “free features are a potent marketing tool”. What is more, if the fact of offering a tool for free comes along with a good purpose or cause, the chances of success over their competitors simply multiplies, regardless of how good the learning experience provided by the tool actually is, as long as this is acceptable. These higher chances of success over competitors and specially over commercial paid solutions comes from the key role that perception plays in perceived customer value. Furthermore, the fact of the tool being free also decreases the total customers costs, thus highly influencing on customers' psychological feelings, what makes the perceived customer value of the tool to increase strongly. For instance, the fact of Duolingo being free and supporting a good cause “helping to translate the Internet” is what has made this tool so popular in a such a short time (Simonite 2012).

From being online tools, same phenomenon affects also online language learning tools and so do they need to commit different actions in order to get the attention of possible language learners. Moreover, competition is fierce in this industry, as these tools are not only competing against their online counterparts, but also private language learning institutions, private personal teachers and other non-online tools can be regarded as rivals among many others forms of competition.

To create this awareness, e-Marketing techniques are used in order to reach users easily and at any part of the world. As these tools work over the browsers e-Marketing techniques facilitate users to reach their respective websites and start the learning with a few clicks. As well, these techniques integrate seamlessly with all the smart device ecosystem. Therefore, besides having social media profiles and conducting Search

Engine Optimizations (SEO) techniques in order to rank higher in search engines, all sort of other promotions and public relations like guest blogging, newsletters or uploading videos are important to reach a bigger audience. Further, these techniques allow a direct and real interaction with consumers, providing rich value to companies as to react to challenges. (Kumar 2014) Along with these techniques, other forms of online advertisement campaigns are also important and relevant. For instance, Search Engine Marketing (SEM) allow companies to have their ads shown in the first positions of search engines, making those interested in learning languages to become aware of the tool available when searching for language learning in the web and accessing to their sites straightway by clicking on the adds.

Initial trust and familiarity with online purchasing are regarded as positive influences towards online purchasing (Chen & Barnes 2007). Still, these two, however important, are not enough, and also the communication channel and technology that applies need to to be considered in connection with the cultural factors for the marketing. For instance, Ahn et al. (2008) claim that perceived usefulness holds a much stronger influence than playfulness on online purchasing in general. However, in the mobile industry, Cyr et al. (2007) show in their study how enjoyment possess a stronger effect on loyalty than perceived usefulness. (Ahn et al. 2008; Cyr et al; in Sakarya and Soyer 2013) Table9 gathers two popular online language learning representatives' statements.

*Table9. Online language learning tool representatives' statement.*

Statement	Source
“Mobile is becoming the big disrupter to traditional self-paced learning,” “We're getting increases every week on the number of people accessing the app. People are so hooked on being mobile, whether that's an iPad or any other device they can lug around.”	Rosetta Stones's vice president of Europe, The Middle East and North Africa (Codrea-Rado 2014)
“Duolingo was designed to be like a game, and what the company has found is that many users aren't even necessarily diehard language fans, they're just looking for an educational way to kill some time. They're still procrastinating from something else, but at least it's somewhat useful.” “The truth of the matter is that learning a language takes months or years. We have to find a way to keep them interested and that's where the gamification came in.”	Von Ahn, Duolingo's CEO (Codrea-Rado 2014)

As shown in the table, both statements reflects the importance and relevance of considering the benefits of the technology while also keeping in mind the specific characteristics and the need of the consumers targeted. Both Rosetta Stone's vice president and Duolingo's CEO words not only highlight but show how both companies

have recognized the importance of playfulness and enjoyment character in the mobile industry, regardless, at some extent, of the learning experience provided, actions to matter.

Finally, in today's world, technology has enabled the access to languages in a way that these are no longer associated with high classes and elite families. Recently, people from all backgrounds can find, if not for free, affordable ways to learn languages what has lead to a demographic shift in language learners (Codrea-Rado 2014). Thus, Sakarya and Soyer (2013) point out that companies providing online services or using the Internet as a distribution channel can get enormous benefits when adapting to the specific behavior, cognition, purchasing style and consumption values of the different cultural groups targeted. Some cultural-related actions they propose to consider are:

- Product type and buying amounts.
- Utility level of the site and products.
- Payment methods and information privacy.
- Improvements in site design, organization and information.
- Shopping deals.
- Business and revenues models accordingly aligned.

These actions do also help to improve the brand image, which besides being a powerful marketing action, contributes to building a trust relationship between consumers and the service provider. (Sakarya and Soyer 2013)

Therefore, as Sakarya and Soyer (2013) highlight, understanding online purchasing styles of consumers in different cultures becomes really important for international companies when developing their marketing strategies. Further these cultural actions do also contribute to build trust, what is the key to attracting new visitors and to creating customer loyalty (Gefen 2000). However, it cannot be forgotten that as a subcategory of online learning solutions, online language learning tools strongly depend on the utility and usability character of the tool in order to obtain customer satisfaction, “Most language-learning software providers have no incentive for you to learn” “Once they get your \$500, they’re happy. We’ll do a lot to get you to come back, because it really matters.” (Simonite 2012). Hence, Duolingo's CEO statement, reflects the importance of utility and point out how an online learning language tool must help the student to learn for real in order for the tool to become successful.

To sum up, this chapter has gathered and discussed the challenges present when doing the marketing of online language learning tools. However, to address these challenges, important concepts such as customer value and customer satisfaction and loyalty have been first discussed, where the purchase intention cycle and the NPS frameworks have been introduced. Then, the chapter has continued on discussing how cultural factors do



also influence online purchasing. Finally, the challenges have been addressed by dividing them into those related to the development of the tool, which at the same time can be divided into, interface and interaction, culture and context; and those related to the marketing of the tool, which are closely connected to rising the awareness of customers.

## 6. CASE STUDY

### 6.1 Online language learning tools

Online language learning tools can be regarded as game-like tools that allow people to learn languages online. Their main way of promoting and enabling the learning is through a continuous repetition of the study elements. In addition, this repetition is combined with the use of users' senses in order to trigger and activate the long-time memory. Images, sounds and words are combined along with continuous feedback, what creates a constant interaction between the user and the tool that makes the learning to happen naturally. Duolingo, WordDive, Busuu, Memrise, Babbel, Rosetta Stone and LiveMocha are some examples of popular online language tools present in the market. Figure17 shows some examples of the game-like interfaces of the above-mentioned online language learning tools.

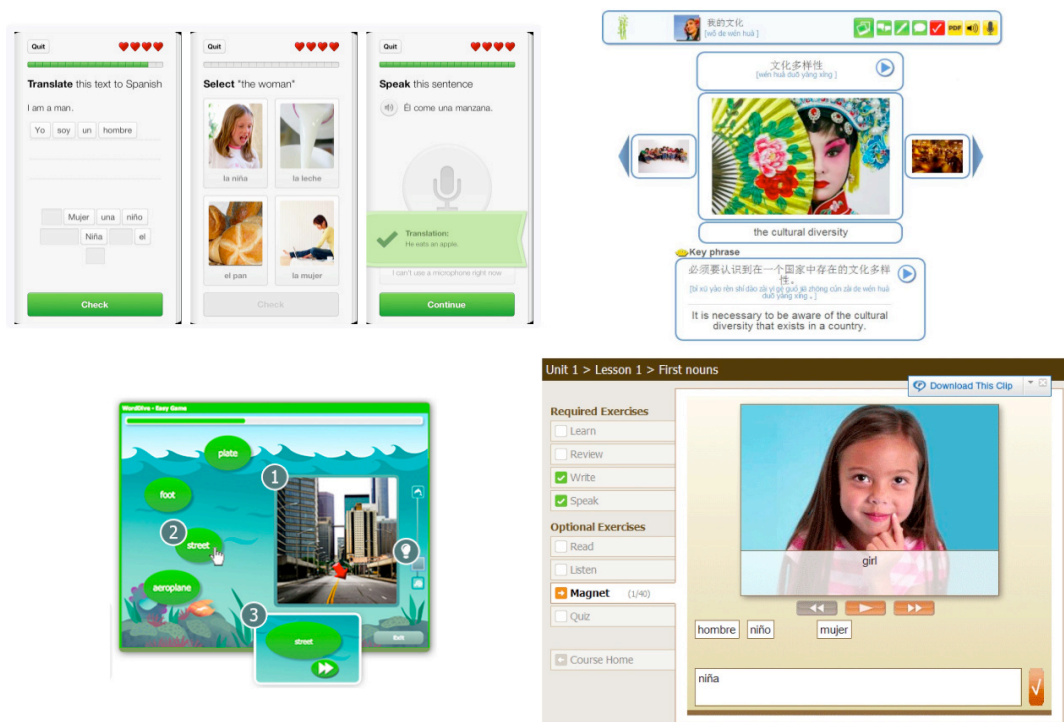


Figure17. Online language learning tools (from top right to bottom left: Duolingo, Busuu, WordDive and Live Mocha).

As can be seen in the figure, the learning content is combined and showed in order to allow and create the learning in a certain way. Thus, this content may be different

considering the different aspects of a language to be learn with the help the tool, such as vocabulary, listening, grammar and reading comprehension. Further, online language learning tools can also be classified, for instance, based on specific features of the tool, learning complements offered or how effectively and well it helps to learn a language.

As covered in chapter four, online language learning tools can be classified according to different parameters, such as the type of language learning these cover (vocabulary, grammar, reading, listening, speaking, writing, pronunciation or intercultural competences) and the type of business and revenue model these present. Figure18 shows an example of WordDive's subscription-based model for learning Japanese.



**Japanese language courses**  
 WordDive's Japanese courses take place online. You can try a Japanese course for 14 days for free. The WordDive method gives you permanent learning results in just one week! The range of courses includes Japanese for beginners as well as intermediate and advanced levels.

---

 **Learn Japanese** **7.99 € / month**

**Level:** Elementary-Intermediate (A1-B1)  
**Duration:** 40-150 hours  
**Size:** 646 study items

**CONTINUE »**

**Courses**  
[Japanese 1](#)  
[Japanese 2](#)  
[Japanese 3](#)  
[Japanese 4](#)  
[Japanese, Basic Hiragana](#)

**Source languages:** American English, British English, Estonian, Finnish, Georgian, German, Russian, Spanish, Swedish

*Figure18. WordDive's subscription-based Japanese course (WordDive 2015).*

As can be seen in the figure, a trial period of 14 days for free are offered in order to allow users to familiarize themselves with the tool and to get first hand experience of the real learning provided. After this time has expired, users need to upgrade to the paid version if they want to continue learning the language. Finally, besides time-limited models, freemium model are quite extended among online language learning tools. Freemium models are really popular among learning language tools as they help to in which in order to have full tool functionality, enjoy extra or having all the content available a payment is need. Further, making use of different form of advertisement, affiliate marketing or partnerships are common in order to make some revenue.

Furthermore, as covered in chapter five, cultural related actions are closely related to the different types of online language learning tools, hence strongly influencing the online marketing of these in a specific market. Figure19 shows WordDive's site for the

Russian-speaking community, which constitutes another example of considering and addressing a specific culture in a particular form.



*Figure19. WordDive's site for Russians customers (WordDive 2015).*

As can be seen in the figure, WordDive's website interface for the Russian-speaking community looks completely different compared with their normal website design as Figure20 shows in the next section. Further, besides using blue as the main representative color instead of green, different images are also used, of which many seem to portray a more Soviet character. As well, the structure of the web site, the type of information, how this is presented and even the call-to-actions seem to be placed and to be triggered differently compared with their normal website. Furthermore, even the languages offered to be learnt seem to differ from those offered in the normal interface, thus highlighting the specific tailoring conducted by WordDive in order to address the Russian-speaking community, their necessities, and requirements.

Finally, besides the challenges that online language learning tools do present related to the marketing of the tool, Duolingo's CEO statement presented in Chapter5 serves to reflect the importance of the challenges related to the development of the tool and how an online learning language tool must really help the student to learn a language. That is why in order to become successful in the language learning industry, it is simply not enough to offer the tool free of charge or but a specific software that enables and supports the learning of the language with built-in intelligence needs to be running in the background. And what is more, in order to attract customers and create customer value ergo loyalty, this specific software needs to combine both the learning aspect, utility, with the playfulness character, usability.

## 6.2 An online language learning tool

WordDive is a Finnish company that provides online language learning services via the computer's browser or by using a specific mobile application. The company was created in 2009 and it is located in Tampere, Finland. The company's main product is an online language learning tool which was created in the first place for learning English and Finnish. Currently the tool offers up to twelve different languages including besides the two mentioned others like Spanish, Russian, Japanese, Chinese, Estonian, Italian, Turkish, French, German and Swedish. Furthermore, the company also offers specific online tailored courses for preparing language exams for accessing the university and other courses in the Scandinavian countries that combine the learning enabled by the online tool with the presence of a teacher. Yet, the company's main mode of operation happens and is developed entirely online. Figure20 shows a view of WordDive's main interface and all the languages that WordDive helps to learn.



Figure20. Screenshot of WordDive's website (WordDive 2015).

WordDive's language learning tool addresses language students' needs concerning a new language right at the beginning of the learning process. WordDive's professionally thought vocabulary and grammar sets have been thoroughly elaborated and developed by language professionals as to contain and group the right elements and structures of a language. This vocabulary and grammar sets are learnt by triggering students' senses while combining listening, visualization, and real life examples via a continuous and persistent repetition process.

This repetition process is specifically tailored to each student's way of learning. It detects the elements of study that have been learnt already by the student and focus on

those still missing, and also those on which the student has some difficulties. Still, this repetition algorithm continues to bring up those learnt elements from time to time in order to activate the long term memory, and hence, make the learning a reality. Therefore, this specific learning software based on repetition together with the professionally developed vocabulary and grammar sets can be regarded as WordDive's core competences whereas the intuitive and fast straight approach to the learning can be seen definitely as one of its competitive advantages.

WordDive's business products comprise the different languages to be learnt online, together with the tailored courses for preparing the university language exams and the teacher-guided language courses. Regarding WordDive's revenue model, this is mainly subscription based, meaning that for learning a language a monetary payment needs to be done. Nevertheless, a kind of freemium model is offered so that users have a chance to try the tool on a small specific sample of study items during a fixed time for free and get to know how WordDive works and really helps to learn. Once this trial time has expired, it is up to the users to upgrade to the paid version. Nonetheless, as part of their language courses portfolio, WordDive offers at least two different paid courses for each language targeted to different types of learners. These paid courses focus on different aspect of the language and thus, they contain different elements of study. Obviously, the price of each course is different and those courses containing absolutely all the elements of study that WordDive offers for each language have a higher price than the others. For their tailored courses, the revenue model used is different than with the online language learning courses, and it mostly consists on a fixed price. However, WordDive's money-back-guarantee promise plays a major role in this revenue model, as WordDive will reimburse all the money paid to the student if the passing mark obtained in the exam is inferior to the one guaranteed beforehand when starting the course. This money-back-guarantee can also be regarded as one of WordDive's competitive advantage, which is made possible by the outstanding online software tool for learning languages developed for the company that truly makes the learning happen.

### **6.3 Spain as a market**

Even though many countries may seem to have similar characteristics, not necessarily same actions that work in a country, do need to work in a similar one and vice versa. Further, despite of two countries being regarded as sharing similar cultural backgrounds, different political, technological, social, ideological or even environmental scenarios can affect differently both countries and therefore, influence dramatically the results provided by these same actions.

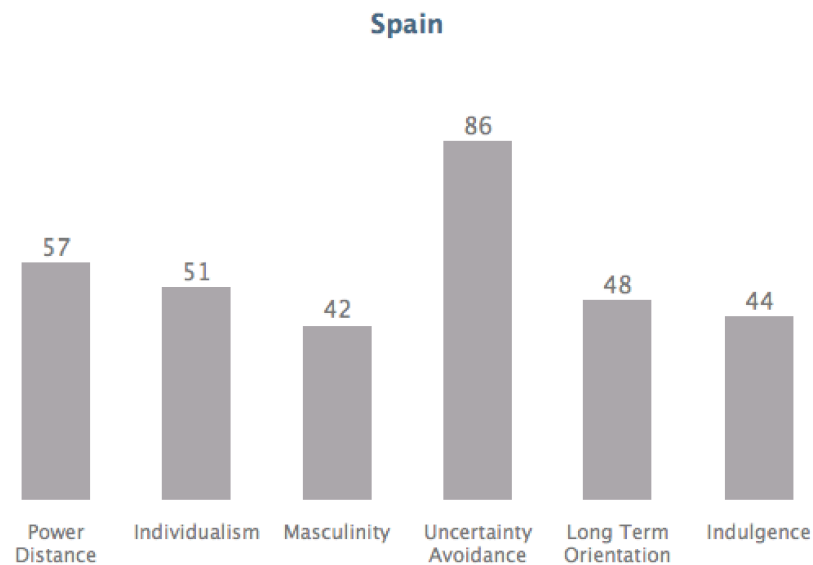
The character of WordDive of being an online web-based tool has provided a chance to many users located in any part of the world not only to get to know about WordDive,

but also to start making it as their online tool for learning languages regardless of place. The fact that WordDive's website was also offered in Spanish together with few marketing actions conducted in the past years has enabled that some Spanish-speaking users have become aware of it in one way or another. However, unlike with other markets where many actions have been taken purposefully, no plan had been specifically developed and conducted in order to address the challenge of communicating the existence of WordDive towards the Spanish community.

Spain, as a market, can be a good target for language learning as the language education is relatively bleak compared to other European countries and there is a latent need of different and new studying approaches, specially when the younger generation is becoming aware of the importance of learning languages in order to face a world each time more global and multicultural. Moreover, the current financial situation that strongly affects the country makes many people quite desperate and eager to learn as they strongly consider to move away and work abroad.

Despite of the new rule been already imposed and students being required to prove a minimum level of English language to be able to graduate, the university's lack of resources concerning language learning, together with the need of those not selecting the university path, make private language learning institutions quite popular and demanded around the whole Spanish territory. Nonetheless, this perception of private institutions can be changed and used in WordDive's interests via a collaboration form. However in order to face direct competition, such as Duolingo or other online language learning tools already present in Spain, leveraging and standing out WordDive's core competences and competitive advantage is the key and only way.

In addition, Duolingo's gained popularity in the Spanish market comes from a really challenging characteristic present in the Spanish online market. This characteristic is the somewhat accepted Spanish mindset of always seeking for free products and solutions, sometimes even by using non-legal approaches, when it comes to the online world. Obviously, such mindset may become a burden not only for online language learning tools, but for any online product when considering targeting the Spanish market. Nevertheless, even though a mentality shift is happening, this is still a slow process and therefore, the presence of such mindset and a Spanish specific culture needs to be accepted, faced and accordingly addressed by using the right measures. Figure21 shows Hofstede's six dimension model for the Spanish culture.



*Figure21. Hofstede six dimensions of the Spanish culture  
(Hofstede et al. 2010).*

As can be seen in the figure, according to Hofstede's dimension model for the Spanish culture, the high degree of Spaniards to avoid uncertainty and preferably keep on staying on their comfort zone (Uncertainty Avoidance) clearly peaks in comparison with the other dimensions. Besides, the model also states that Spanish culture has a hierarchical society (Power distance), Spaniards are collectives when compared with Europeans but individualists compared with other cultures (Individualism) and that they do prefer living the moment and look for quick results to plan long time ahead and get long time benefits (Long term orientation) (See Appendix8).

When it comes to the smart-device ecosystem, Spain seems to be among the countries with higher growing rate of smart-device utilization and acceptance, specially for the Android platform. Furthermore, according to a study conducted by the ABA English institution, 69% of Spaniards have downloaded an app for learning languages and use the apps from one to five times a week. Furthermore, they see the learning apps as effective tools for learning languages, however, only a lower number of them would agree to pay for it providing the app really help with the learning in the long run. (Press 2015)

Therefore, despite possible challenges, a penetration of WordDive in the Spanish market could act as a showcase, and it may well facilitate and enable the targeting of not only the vast Spanish-speaking community spread all over the world and those people who might know Spanish and would like to either improve it or use it for accessing to the learning of a new language as a lingua franca, but also those communities resembling similar cultural characteristics to those of Spain, such as Latin American countries or southern european countries.



## 6.4 Empirical research

The empirical study revolved around the process of conducting a series of actions that would help to communicate the existence of WordDive as a tool for learning languages and its availability in Spanish for the Spanish community. The idea was to target not only those living in Spain, but also the huge spaniard community that resides abroad because of different motives (work, studies, family, vacations or others) as the fact of living abroad makes the learning of the local language or a lingua franca, like the English language, a necessity in order to communicate with locals and to get access to city services. Therefore, such necessity makes spaniards living abroad a more susceptible group of being interested in WordDive's language learning services. Figure22 shows WordDive's Spanish profile on Facebook which together with other profiles on other important social networks (See Appendix 5) were one of the first actions taken in order to rise the awareness and establish an online communication channel between Spanish users and WordDive.

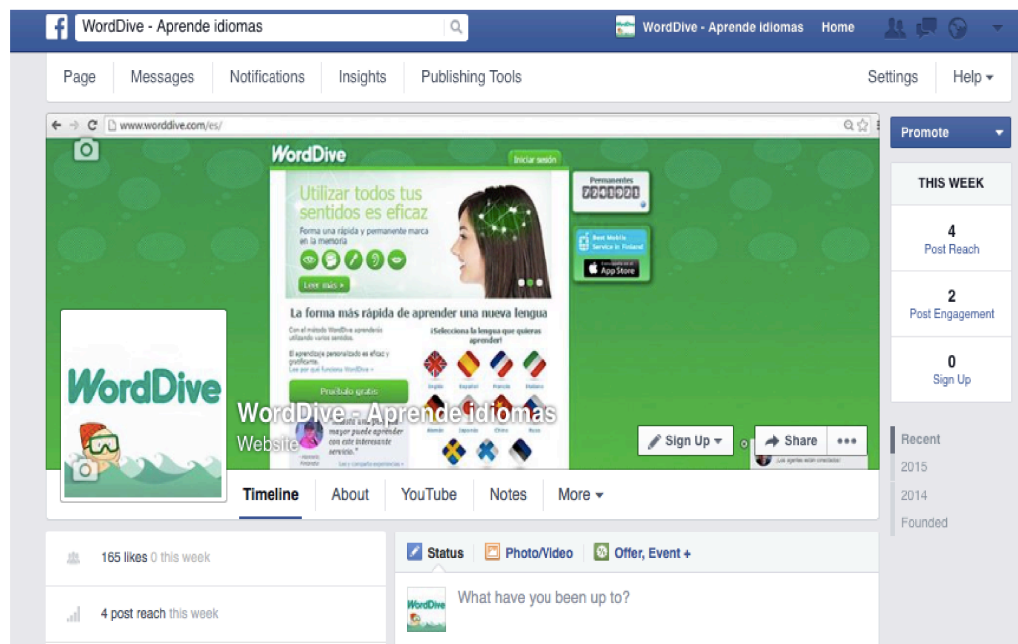


Figure22. Screenshot of WordDive's Spanish Facebook page.

Besides establishing social network profiles, a SEO campaign was initiated right in the beginning in order to improve the rank and position of WordDive given by search engines when a search for learning languages was executed. Together with some restructuring of the content of the site in order to make this more accessible, interesting, clear and user-friendly, the SEO Campaign consisted of the creation of relevant and up-to-date material related not only to WordDive but to language learning in general. This required to make some connections with other important and relevant sites by, for instance, making them to write about WordDive or conduct other actions, such as blog entries (guest blogging), reviews, comments, sharing pictures and organizing contests

(See Appendix 6). Figure23 shows one of the WordDive's search results provided by a search engine when conducting a language learning search on a browser.

**Learn Finnish online - WordDive's Finnish courses**  
[www.worddive.com/en/learn-finnish](http://www.worddive.com/en/learn-finnish) ▼ Käännä tämä sivu  
 The fastest and easiest way to learn Finnish. Learn Finnish online with WordDive's award-winning language courses. Try it for free!

*Figure23. Result showed by Google when executing a search for language learning.*

Once some time went by as to allow the SEO to start ramping up and the social profiles to get some interaction, SEM advertisement campaigns were initiated. These SEM campaigns remained active until the very last day of the empirical study and really demanded a great deal of knowledge, time and other resources not only to activate them but to make it work properly and in a profitable way as well. Figure24 shows one of the many ads showed by a search engine on the browser when conducting a specific search on language learning.

**Mainokset**  
**Opi suomea**  
[www.worddive.com/Opi-suomea](http://www.worddive.com/Opi-suomea) ▼  
 WordDive on nopein tapa oppia  
 suomea. Kokeile ilmaiseksi!

*Figure24. Ad showed by Google when executing a search for language learning.*

As can be seen in the figure, similar ads to this one were shown on the search engine result page (SERP) of the browser when a user search query on language learning triggered the ad by utilizing a specific set of keywords. Each ad showed a specific and tailored message in order to provide the closest result for the query conducted by the user on language learning. Each ad was classified into different groups within a specific campaign. Like ads, keywords were also defined and classified within each campaign in groups based on different target market groups. A campaign for each language to be learnt was created in order to classify properly both ads and keywords. Furthermore, different campaigns were used to different platforms, such as laptops and smart-devices. Table10 shows some examples of different groups of keywords within a specific campaign.

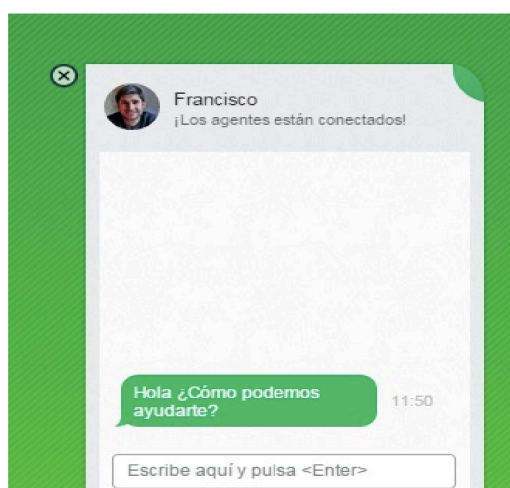
*Table 10. Examples of some campaigns and few of their respective keywords for triggering ads on language learning online.*

Campaign	Keywords
Learning German	“Aprender alemán”
	“Como aprender alemán”
	“Estudiar alemán”
	“Cursos de alemán”
	“Alemán Online”
Learning English	“Aprender inglés online”
	“Aprender inglés británico”
	“Cursos de inglés”
	“Como aprender inglés rápido”
Learning Finnish	“Aprender idioma finlandés”
	“Aprender finés online”
	“Cursos para aprender finés”
	“Estudiar finés online”

As can be seen in the table, different campaigns contains different keywords based on the language to be learnt. For instance, against the user query “Quiero aprender inglés online” the keyword corresponding to the Learning English campaign “Aprender inglés online” got activated, making the learning english ad associated to become eligible to be shown to the user. Furthermore, keywords were modified, optimized and sometimes even replace on a daily basis according to their efficiency in making ads to trigger. This efficiency was measures based on internal metrics provided by the advertisement management tool as well as research conducted on the most common keywords used by users when searching for language learning (See Appendix 10). Thus, as a result of this research, negative keywords were also added to the campaigns. Negative keywords were used so that ads would not be shown when some specific keywords appeared on the users query. Negative keywords are used in order to offer the user the closest possible result to what is searched, thus avoiding ads of products unrelated to search queries to be shown to users. “Free”, “Gratis” or “Diccionario” were some examples of the negative keywords used in the campaigns conducted, as WordDive's online learning product neither offered nor match such features, thus, it was not desired to have ads showing WordDive in relation to such keywords.

E-mail campaigns and newsletters were also relevant and one newsletter per week was sent to the Spanish Community. Newsletters contained news, stories, tips and advices on not only WordDive, but the online language learning in general. Besides being sent by email, newsletters were also saved and published in WordDive's blog so that users could go through them and leave some comments more thoroughly at any time (See Appendix 4). In addition, newsletters also worked as a reminder of back to WordDive to those users who were not using the tool that much due to any reason.

Furthermore, the increasing demand brought by the actions conducted made a live chat to be launched in order to service the Spanish community. Even though, initially this chat was thought to be another communication channel together with the social networks to provide some help and answers to the questions the Spanish community might have regarding WordDive. Figure25 shows the live chat activated before a conversation was initiated.

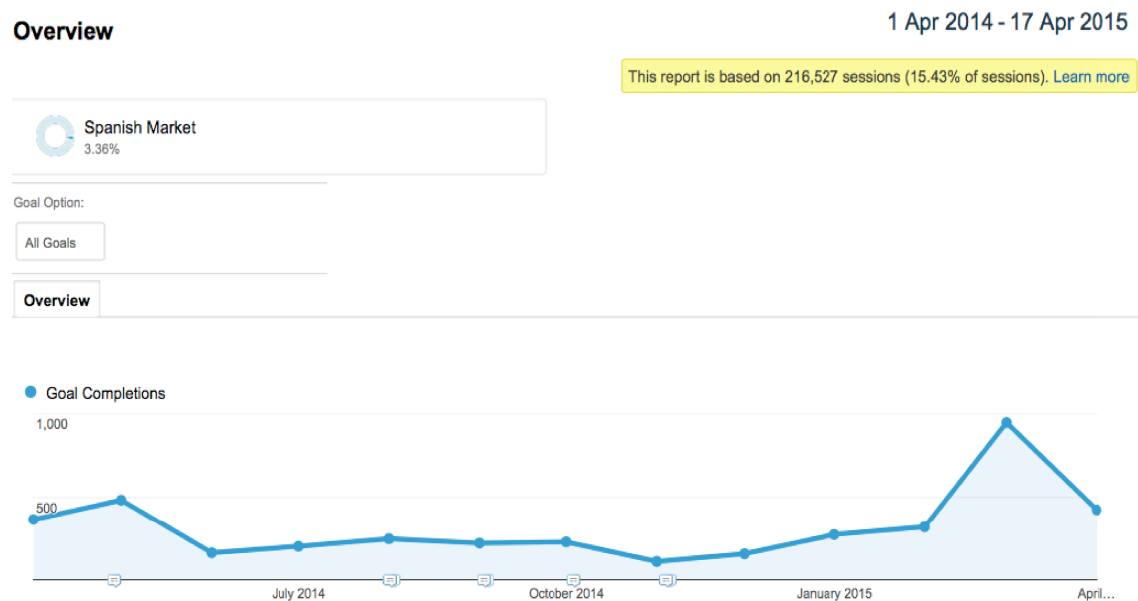


*Figure25. Live Chat service provided to the Spanish community.*

In the end, the live chat showed to be a surprisingly active way of raising awareness. This was due to the chat being perceived by the users as a gesture of care, closure, listening and importance towards their concerns. In addition, the chat became a great way of receiving real live feedback straight from the users. This feedback helped not only to fix, update and change some things that were not that clear for the users, but also to realize users real perceptions, problems, demands and inconveniences. Hence, based on this feedback many improvements were made which helped, among others, to offer a better service, thus improving not only customer satisfaction but also WordDive as online language learning provider. Finally, some other actions were also conducted along with the company strategy towards the Spanish community, including the revision of the Spanish version of the mobile app available and checking the accuracy of some of the Spanish learning material offered (See Appendix 7).

## 6.5 Results of the case study

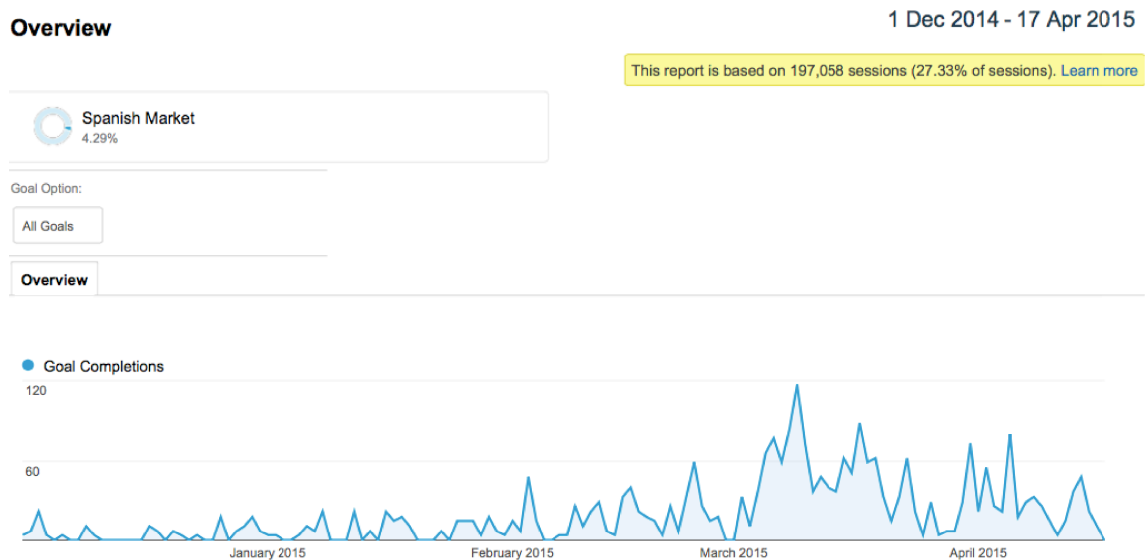
This whole section shows and analyzes the results obtained from the empirical case study described in the previous chapter and conducted in collaboration with the Finnish online language learning provider, WordDive, on the Spanish market. The study was active and running from the 1st of December 2014 till the 17th of April of 2015. However, in order to see the study progression and the good and promising results brought by the case study, some of the graphics are shown from early 2014 onwards. All the graphics shown in this section have been taken from the analytical measuring software tool the company used to measure their campaigns and activities, Google Analytics. For each figure a small explanation is provided in order to grasp better its context and to analyze as well what it shows. Figure26 shows the evolution of the overall goal competition amount taken place in the Spanish market already before the case study was conducted, from April 2014 to April 2015. Each goal represents an accomplishment in relation to the attraction of new visitors to the site and their willingness to start using the learning tool.



*Figure26. Evolution of overall goal completions.*

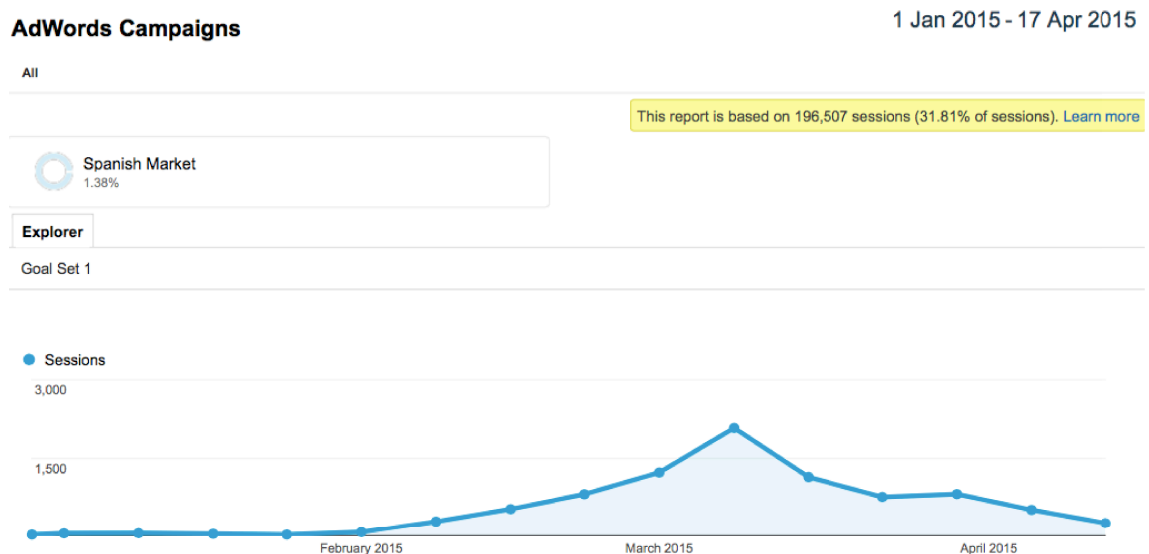
As can be seen in the figure, there is an increasing trend from December 2014 onwards. This trend corresponds to the execution of the first marketing campaign in the Spanish market at the beginning of the case study. The more actions were conducted and the longer the initiated actions had been already running, the more goals were completed, thus the higher of the increase. This trend kept on growing till it peaks off around March 2015, corresponding this peak with a finer adjustment and experience with the SEM campaign and the establishment of the SEO and other communication campaigns, such as the live chat, emails, social network promotion and guest blogging and online

partnerships. Therefore, as the figure shows, the overall case study goal completion amount increased until about twice as big as the best result so far obtained around May 2014. Furthermore, the decrease shown next in the figure after the peak corresponds to the finalizing of the campaigns. Nonetheless, more graphics are to be shown in order to better understand the results obtained. Figure27 shows number of goal completions obtained during the exact time the case study was running, Dec 2014 to April 2015.



*Figure27. Overall goal completions during the case study.*

As can be seen in the figure, it was in March 2015 when the number of completions got a peak and then remained on a high level due to new actions conducted and the time needed for the old campaigns to provide results despite of their already activation in December of 2014. Figure28 shows the evolution of the SEM campaign conducted during the case study.



*Figure28. Evolution of SEM campaign during the case study.*

Therefore, the figure clearly shows the relation between the peak in the goal completions in March 2015 with the results brought by the SEM campaign once this campaign was properly set-up and had time enough to make the ads working. The later decrease corresponds to the progressively turn down of the campaign due to the end of the case study. Figure29 shows the percentage rate of different types of platforms targeted with the SEM campaign.

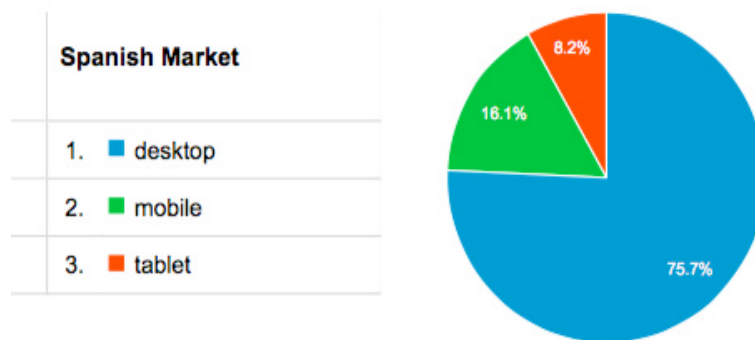


Figure29. Platforms used on SEM campaign.

As can be seen in the figure, the desktop platform clearly takes over the smart-devices when it comes to the SEM campaign due to the lack of campaigns created to target such devices. This lack had two main motives, the low rate of conversion showed by smart devices and the unreadiness state of the android version of the learning tool. Figure30 shows the evolution of network referrals from January 2014 onwards. Network referrals means those new users who got aware of WordDive from the actions conducted on social networks, mainly Facebook, Twitter and Google+, and SEO actions.

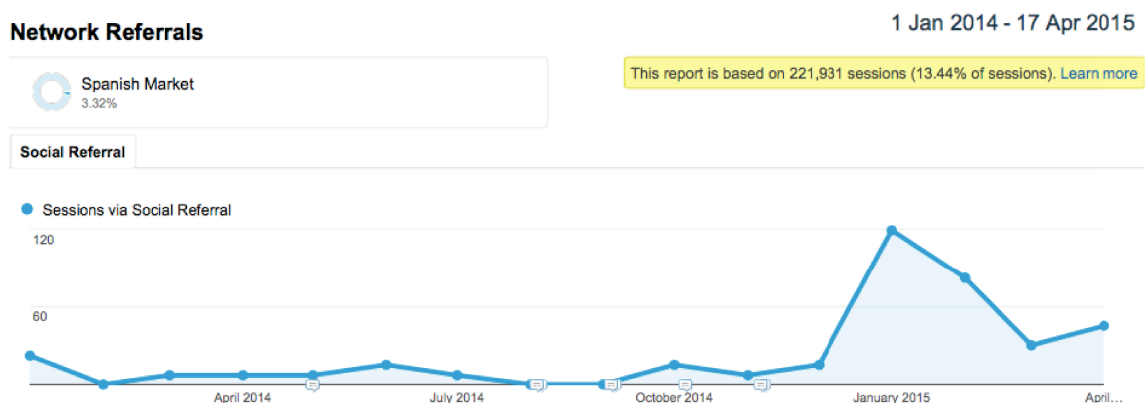


Figure30. Evolution of network referrals.

As can be seen in the figure, the increase and peak of the referrals happened right at the beginning of starting with the case study, Dec 2014 and Jan 2015, due to the creation of the Facebook, Twitter and Google+ profiles (See Appendix 5). In addition, different communication actions as to promote the profiles were conducted on a daily basis,

leading to the peak in the awareness rise, specially in the beginning due to the novelty factor among others. Figure31 shows the percentage rate of the social networks impact in the Spanish market.

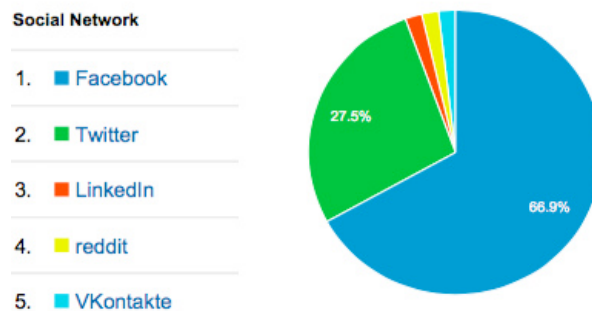


Figure31. Social Network impact.

As can be seen in the figure, Facebook and Twitter were the two principal networks with the former taking clearly over the latter due to the time needed for Twitter to ramp-up. However, in the last stage of the case study Twitter seemed to show a powerful impact. Thus, if the case study had last longer, the difference between these two would have been considerably smaller. With regards to Google+, even though this social network did not contribute to create rise the awareness as social network per se (reason why it does not even appear in the figure) it did help a lot for the SEO, specially when it came to the Google-related ecosystem and the browser Google Chrome. The rest of social networks even though they were not specifically targeted provided some referrals by most probably unintentional communication actions such a word of mouth. Figure32 shows the New Vs. Returning number of users during the case study.

#### New vs Returning

1 Jan 2014 - 17 Apr 2015

This report is based on 221,897 sessions (13.43% of sessions). [Learn more](#)

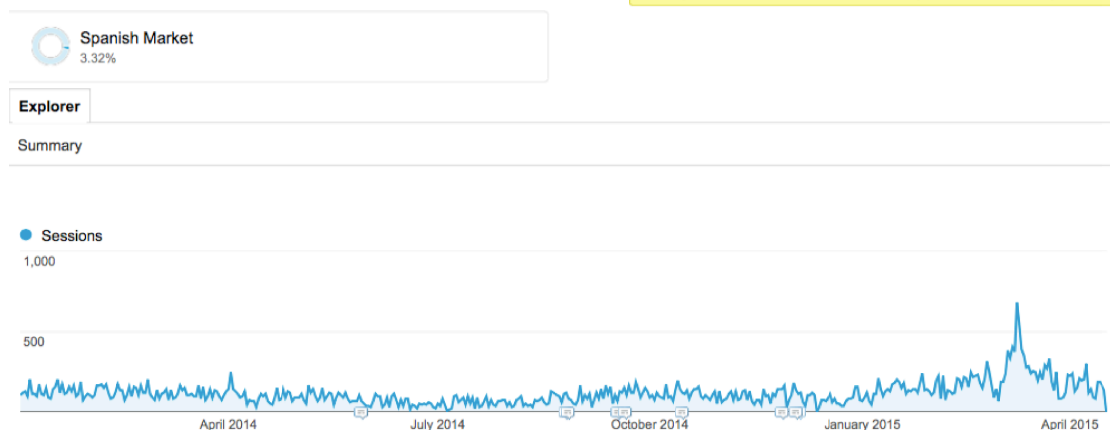
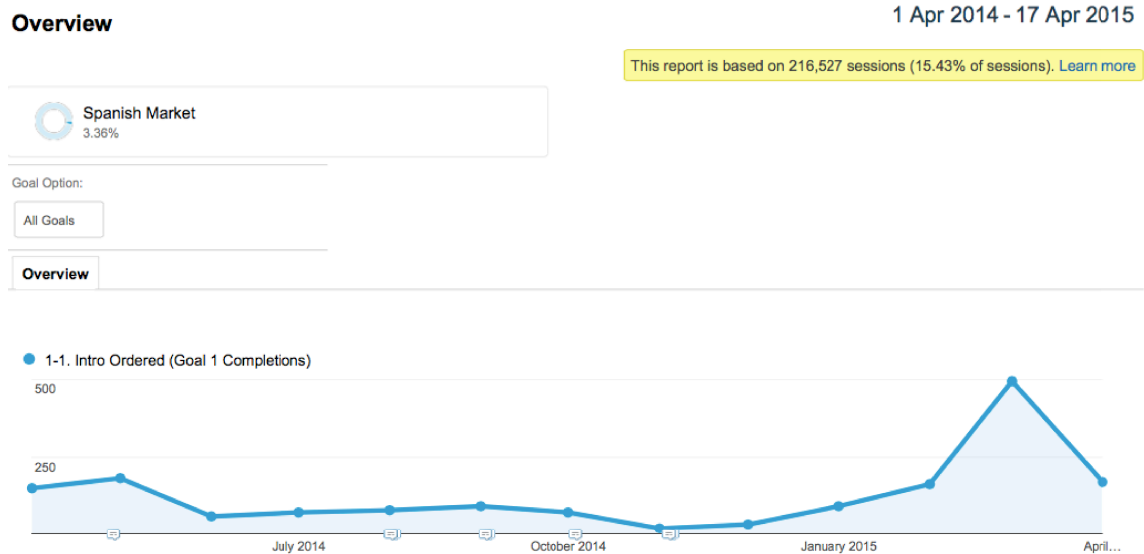


Figure32. New Vs. Returning number of users during the case study.

As can be seen in the figure, the campaigns activated during the case study clearly confirms a steady increase of new users by the early 2015 in comparison to previous times, having this increase a peak around March of 2015. Within this increase in the

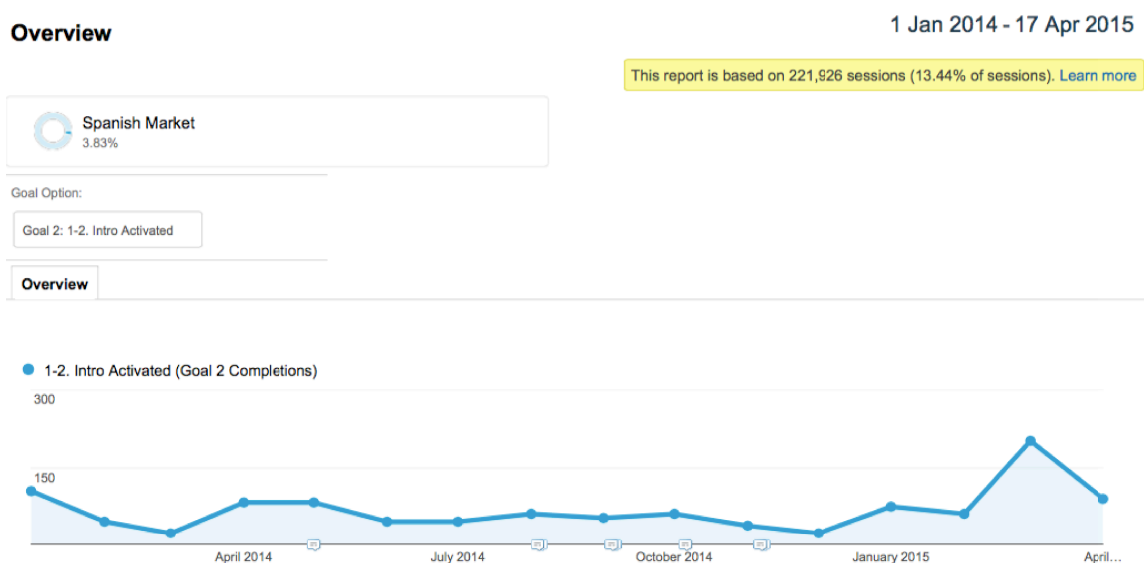


number of new users, Figure33 shows the number of those new users who signed up and ordered the introductory trial language course offered by WordDive, thus becoming possible prospects.



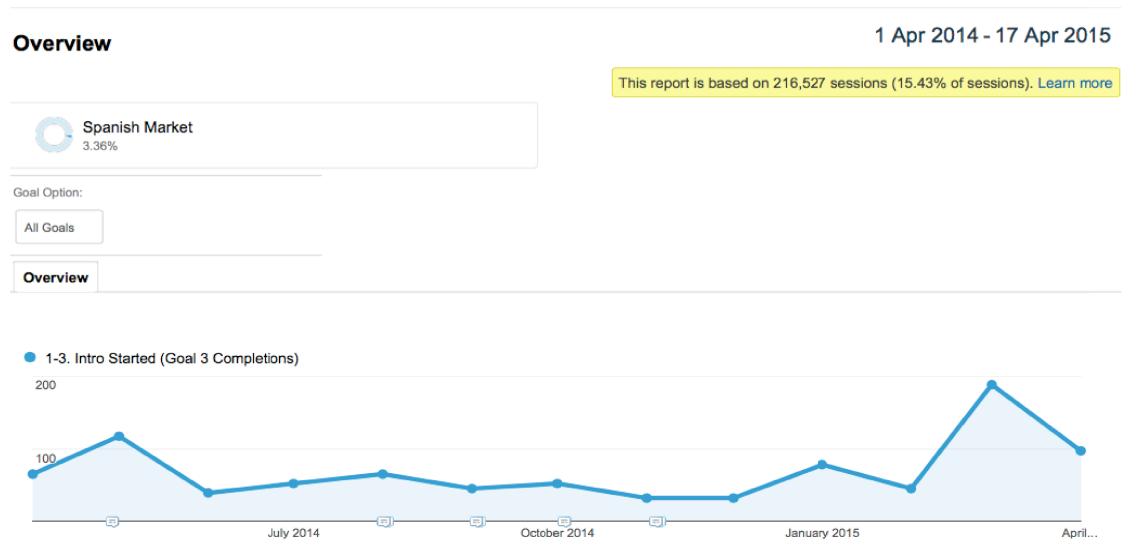
*Figure33. Introductory trial courses ordered.*

Again, as can be seen in the figure and it has been already discussed, the rapid increase coincides with the beginning of the case study, having a peak around March of 2015. Furthermore as the figure shows, the amount of intro courses ordered thanks to the case study execution doubled the highest amount obtained by April of 2014, what clearly reflects the success of the case study in rising the awareness of WordDive in the Spanish market. Within the number of intro courses ordered, Figure34 shows the number of intro courses activated.



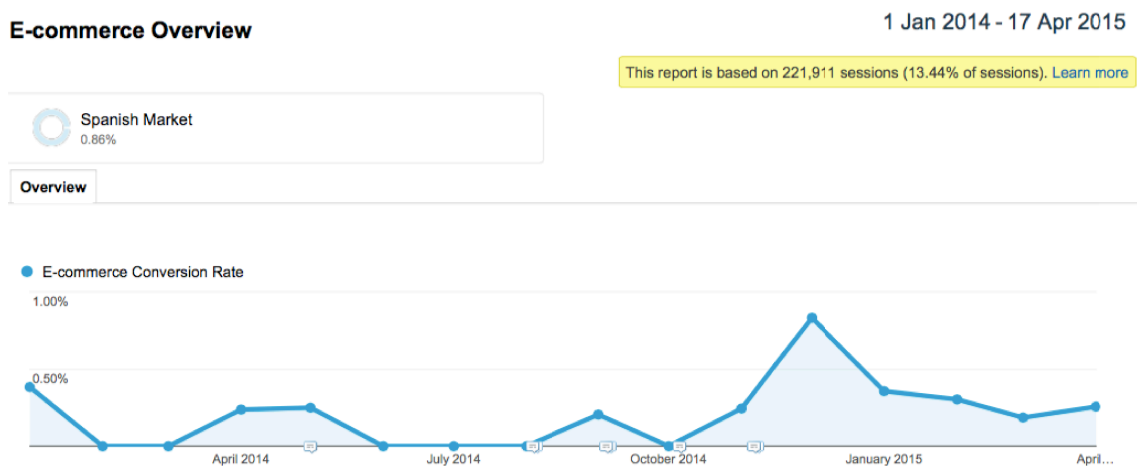
*Figure34. Amount of introductory trial courses activated.*

As can be seen in the figure, even though this time the increase is not that steep as with the amount of intro courses ordered, still the amount of introductory trial courses activated is higher than the highest amount already obtained around January of 2014. Finally, within the amount of introductory trial courses activated, Figure35 shows the amount of trial courses that were actually started.



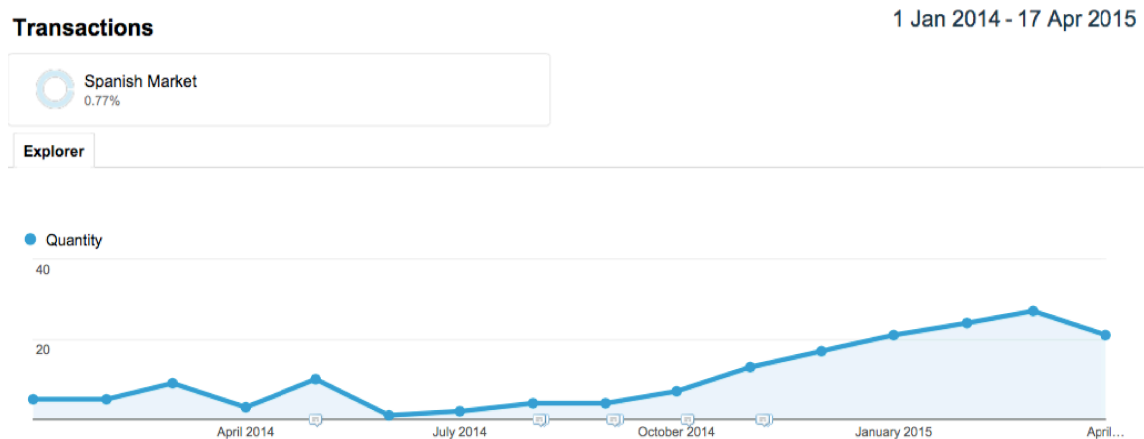
*Figure35. Amount of introductory trial courses started.*

As can be seen in the figure, the increase cause by the case study is not that high in comparison to the amount of users that ordered the course, yet it is higher than the highest amount registered around April of 2014. As it is discussed on the considerations and limitations chapter of this thesis later on, this decrease tendency clearly indicates how the strength and great results provided by the communications actions did not pair up with the actions conducted towards converting such awareness rise. Figure36 shows the evolution of the overall E-commerce conversion rate in the Spanish market.



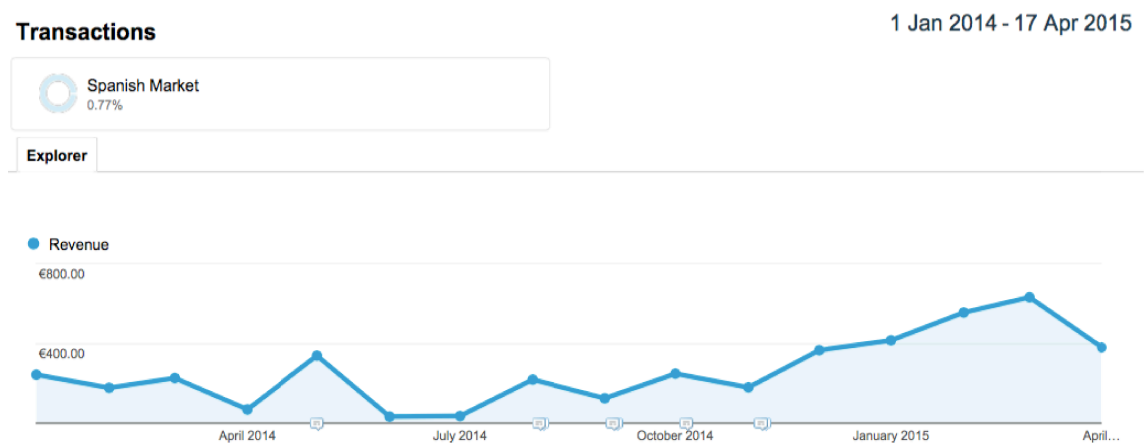
*Figure36. Evolution of the overall E-commerce conversion rate.*

As can be seen in the figure and in line with the decrease already pointed out, the E-commerce conversion rate reflects this low conversion. However, as can be also noticed from the figure, specially coinciding with the launching of the case study, there is not only peak in the rate but this also seemed to stabilize. This stabilization meant that the improvements done together with the marketing actions on the on the Spanish market were working and those new visitors that became users tended to remain for a longer period of time, thus decreasing the amount of fluctuation rates showed in May and July of year 2014. Figure37 shows the evolution of the overall transactions in relation to quantity.



*Figure37. Evolution of the overall transaction quantity.*

As can be seen in the figure, all in all and despite the low but stable conversion rate, the marketing actions conducted were fruitful and rewarding, translating into a steady increase of the number of transactions conducted by the visitors/users. This great increase points out the higher interaction of the visitors/users with the language learning tool, what matches with the steadiness of the e-commerce rate. Finally, Figure38 shows the evolution of overall transactions in relation to the revenue obtained.



*Figure38. Evolution of the overall transaction revenue.*

As can be seen in the figure, the increase of the transaction amount directly translates into an increase of the revenue obtained. What is more, this revenue obtained is considerably higher than the highest amount obtained during the year 2014, showing a high tendency before it decreased due to the shutting down of the case study. Therefore, once again, this figure highlights the positive and great results obtained with the marketing actions conducted during the case study, making them rewarding and profitable once they have had enough time to provide results.

The rest of the figures shown below provide also interesting results from the marketing perspective of language learning tools. Figure39 shows some demographic factors of WordDive's users in the Spanish market.

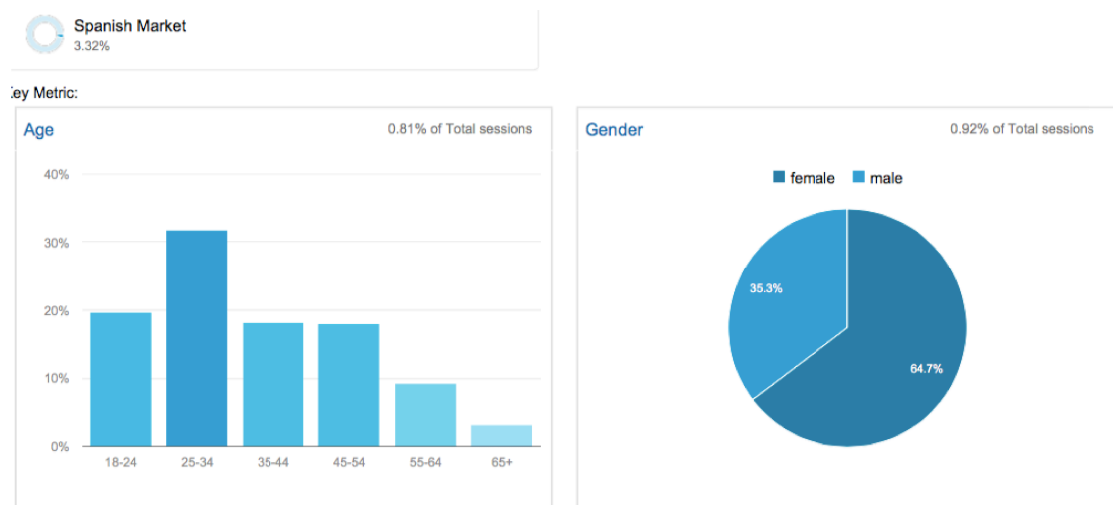


Figure39. Age and gender users.

As can be seen in the figure, males aged between 25 and 34 seem to represent the bigger number of WordDive's users in the Spanish market. These results become relevant as no specific actions were taken towards addressing this specific segment. Figure40 shows the ranking of the communications channels impact on the Spanish market.

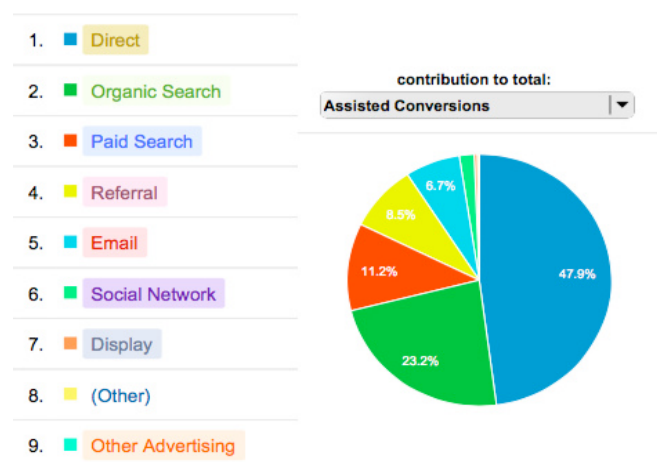


Figure40. Communication actions impact.

As can be seen in the figure, direct search (users accessing directly to WordDive's site) and organic one (via browsers) are the most important communication channels when it came to conversions. However, as the Figure41 shows below, the SEM campaign in the form of Paid Search highly contributed to the rise of awareness of WordDive.

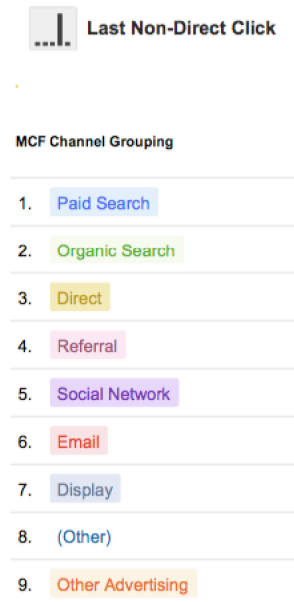


Figure41. Last Non-Direct click communication channels.

As can be seen in the figure, users firstly got to know about WordDive thanks to the ads placed among the other communication channels. Figure42 shows other possible market candidates for WordDive besides Spain.

Country	New Users	Sessions
<b>Spanish Market</b>	<b>14,183</b> % of Total: 5.56% (255,281)	<b>24,532</b> % of Total: 3.40% (721,027)
1.  Spain	<b>4,437</b>	38.25%
2.  Mexico	<b>2,105</b>	11.03%
3.  Colombia	<b>1,051</b>	5.80%
4.  Chile	<b>871</b>	4.87%
5.  Argentina	<b>842</b>	4.64%
6.  Peru	<b>835</b>	4.24%
7.  Venezuela	<b>567</b>	2.84%
8.  Ecuador	<b>377</b>	1.74%
9.  Finland	<b>329</b>	8.60%
10.  Dominican Republic	<b>264</b>	1.27%

Figure42. Possible market candidates besides Spain.

Therefore as can be seen in the figure, besides Spain showing the higher number of users and sessions, other Latin American countries seemed to position themselves as possible candidates due to the high presence of WordDive's visitors and possible users they gathered, what comes to highlight the importance of cultural characteristics and similarities when it comes to marketing actions. Furthermore, concerning languages, another interesting result from the case study is that without considering English (due to highest competition level), German, French, Japanese, Swedish and Finnish were the languages that presented a better conversion rate for the Spanish market.

## 6.6 Considerations and limitations of the results

The actions conducted in the empirical study served their purpose really well by helping to increase considerably the number of new users for the Spanish market as shown in the results. The SEO, having social profiles on different social networks, blogs, partners and other collaboration forms together with the live chat helped to support the amount of new visits that SEM campaigns brought. Still, despite of needing much time and resources in order to active and ramp up the SEM campaigns properly, these have seem to work quite well and eventually no much time was needed to spend on them besides the required maintenance and fine-tuning.

Further, the use of WordDive's subscription-based revenue model implies that besides the learning, users enjoy of a series of extra benefits in exchange of the money they pay. These benefits are:

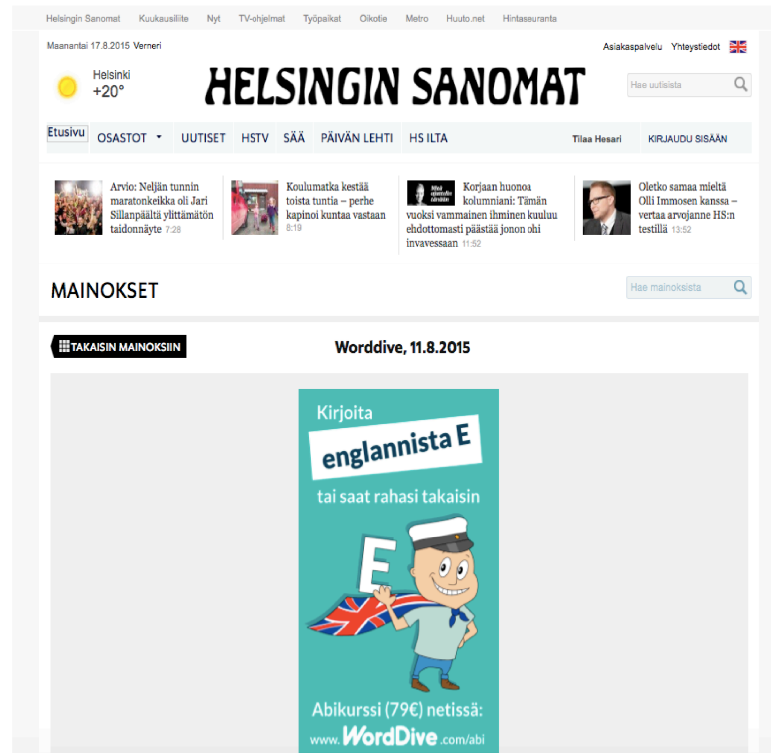
- No exposition to any form of advertisement.
- Language material designed by professionals.
- Continuous customer service and help.

However, users did not seem to recognize these benefits quite easily, which made, together with the limitations, the actions conducted to rise the awareness not reflect their real strength due to a low conversion rate. As mentioned, some limitations were faced during the empirical case study. Table11 gathers these limitations and their explanations.

*Table11. Limitations encountered during the empirical study*

Limitation	Explanation
Time	SEM campaign requiring too much time to set up and ramp-up. To little time to allow actions to provide better results.
Online actions techniques	Not trying other social networks, not providing apps for other smart-devices platforms, other ways of promoting missing.
Cultural factors	Spanish own cultural characteristics highly influencing customer perceived value and purchasing behavior.
Offline marketing techniques	Traditional marketing actions missing in order to boost the online actions conducted and to reach the right and wider amount of users.
Company's own rules	The company's own strategy and ways to proceed influenced the way actions were conducted.

As can be seen in the table and considering the specific cultural characteristics of Spanish market when it comes to online purchase behavior, the leaving-out of conducting traditional offline marketing actions can be regarded as the limitation that may have affected and limited obtaining higher promising results the most. For instance, simple actions, such as the publishing of an ad on a local newspaper or magazine, giving out flyers on the street or even establishing partnerships and deals with local business may have supposed a big boost, which together with the online actions conducted could have risen WordDive's awareness to a bigger amount of users. Figure43 shows a WordDive's ad placed on the digital version of a very important Finnish newspaper.



*Figure 43. WordDive's ad placed on the digital version of The Helsingin Sanomat (Helsingin Sanomat 2015).*

As can be seen in the figure, a similar action could have been conducted also for the Spanish market. Furthermore, due to the important integration rate of smart-devices Spain, being this really high in comparison to other countries specially for the Android market, having offered the mobile app for other platforms would have definitely supposed a bold move towards not only rising of awareness and increasing of the number of new visitors but also towards converting them into long time real users.

Nonetheless, despite of some limitations having clearly diminished the power of the actions conducted and the small time the case study was running, all the actions conducted during the empirical study have been closely in line with the objective and the strategy planned and they have made the Spanish people to become highly aware of the existence of WordDive as the results have clearly shown.

## 6.7 Suggestions for further research

As further research and actions to be taken into account in the future regarding the marketing of an online language learning tools to the Spanish market can be listed:



- Prolonging the time online marketing campaigns are active in order to measure and analyze the real impact these have and the conversion rate they generate.
- Focusing on different social networks and online communication channels besides the ones already conducted as to see the potential that these new channels might bring along while using SEM.
- Conducting offline marketing actions along with the online ones and measuring the impact such actions bring in the form of new visitors and conversion rate, acknowledging the specific culture the Spanish market possesses.
- Measuring and analyzing SEM campaigns once the SEO has had enough time to establish and to ramp-up.
- Offering new ways of interacting with users besides e-mail, specially those covering the current and popular Spanish trend, such as WhatsApp or Skype.
- Communicating explicitly the value of using specific developed software for language learning so that users truly become fully aware and conscious that the learning really takes place.
- Trying other revenue models in order to address the specific purchasing behavior needs of the Spanish consumers.
- Studying the possibility of starting different forms of local partnerships, specially considering the particularity of the Spanish market such as private language learning institutions or other organizations related to learning.
- Studying the possibility and rate of success of adapting many of the marketing actions in order to target similar markets, such as the Latin American market.

To sum up, this chapter has focused on the case study research conducted in collaboration with the Finnish online language learning provider, WordDive. However, before introducing the research, a description of the company and the language learning tool has been first provided. Then, the chapter introduces the market where the case study took place, Spain. Afterwards, the empirical study case together with the results are extensively described and analyzed, covering also considerations and limitations faced. Finally, suggestions and actions for further research are presented.

## 7. CONCLUSION

Products really differentiate from each other. Those presenting more intangible and informative characteristics seem to perform much better on the Internet ecosystem in comparison with those that require of more sensorial experiences to be involved. Similar behavior is found in online products or solutions, which despite of sharing some similarities from operating in the same channel, the online world, they do present tons of specific characteristics that need to be identified and addressed when taking them to market.

Online language learning can be regarded as a subcategory of online solutions. Its online character implies the need of software in order to provide the learning services out to the users, commonly via the cloud. Besides, online language learning do also share important similarities with online solutions including similar segmentation techniques, similar revenue models, conditioned by similar purchasing behaviors and conducting similar online marketing strategies. Yet, online language learning does also present its own specific characteristics, and more importantly, there is one important factor that differentiate them: the fact of having specific built-in intelligence software for enabling the learning. However, literature makes the process of identifying these specific characteristics rather challenging as many different concepts and factors interrelate, a broad nomenclature is used and widespread of information applies.

The objective of this thesis was to highlight and discuss some of the specific characteristics that online language learning tools present in order to identify important challenges that these specific characteristics entail the customer value communication. Furthermore, this thesis also sought to show the effectiveness of some online marketing actions that are needed to rise the awareness of the use of an online language learning tool for penetrating a specific market, Spain. Towards the pursuit of rising the awareness of the Spanish market, an empirical case study was conducted in collaboration with an online language learning provider, and the results of this collaboration were analyzed.

Therefore, the first important finding of this thesis is the fact that having online language learning tools a specific built-in language learning software strongly influences their customer value and hence, their marketing process. This specific learning software makes that business and revenue models from the software industry need to be considered along. Within the marketing process of online language learning tools, the targeting and positioning as well as and the marketing mix need to be more specifically conducted and tailored in order to convey the right learning proposition and to reach the right users over the right channels.

Other important findings are that, first, making a market aware of the existence of a product is the first step of the process towards customer satisfaction and loyalty and in the online language learning industry, factors such utility and usability play an important role towards this objective. Both factors, utility and usability become highly relevant to provide customer perceived value, where the content and experience felt by the users need to be real and much more important than the platform and technology used, thus translating this customer perceived value into satisfaction and loyalty. Furthermore, for an online language learning provider it makes a solid difference not only to capitalize on finding the right combination of offline and online techniques (consumers who have the chance of interacting with a company over multiple communication channels are prone to be more profitable and loyal in comparison to single channel ones), but also to address the inconveniences that online language learning solutions presents in the form of market orientation, online interaction propensity and technology in order to provide the best language learning experience for the users.

Equally important is to realize that different cultural characteristics, factors and principles concerning online purchasing behavior highly influence customer satisfaction, and thus, they need to be taken seriously into account. Even though communication and promotion actions are truly important to raise awareness, different markets have their own characteristics, culture and current going-on factors, therefore specific and local actions to those markets need to be considered and applied.

Finally, the empirical study conducted has helped to prove these findings by conducting online marketing actions for an online language learning tool in a specific market, Spain. These marketing actions have happened to work properly as expected and good results in the form of a high number of new user activations were achieved considering the little amount of time the empirical study was active. Social media interaction, namely, Facebook, Twitter and Google+; Search engine optimization (SEO), email campaigns, guest blogging, live chat and other promotion and communication actions managed to rise the awareness of WordDive in the Spanish market. Furthermore, on top of these actions, SEM campaigns have proved to be really fruitful, powerful and rewarding once they have been correctly tuned, set up, and been running for some time already. Therefore, these good results obtained with the marketing actions can be taken as an initial consideration point when facing other markets that might, in principle, share similar characteristics.

However, besides the little amount of time the marketing actions were active, some other limitations were encountered which may have undermined the strength of the results obtained. One of these limitations can be identified as the lack of using any offline marketing actions. The nature of the Spanish market itself still makes offline marketing, at least in the near future, rather important and needed to be considered regardless of a product being fully operable online. Moreover, when conducting an

empirical study research in collaboration with a company, the research actions to be conducted need to align with the company's own strategy, plans and vision, thus influencing on the flexibility and range of possibilities to execute, which obviously holds an impact on the results obtained. Lastly, from a research point of view and despite the success and good results obtained with the empirical study, this thesis has not helped much in determining which actions have truly worked better over others as they all have been conducted simultaneously, thus influencing on the results obtained. Yet, the question remains as to which extend getting this information might help and how valuable this information would be when compared to the amount of resources needed to spend on trying to give answer to such question versus obtaining results. Nevertheless, such study is susceptible to provide possible benefits, hence it becomes a concept of further research along the other ones already pointed out in the suggestions for further research section of this thesis.

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## APPENDICES

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## **APPENDIX 1. B2B VS. B2C MARKETS (ADAPTED FROM (LYLY-YRJÄNÄINEN ET AL. 2010).**

### *- Market Structure -*

B2B markets	B2C markets
Homogenous	Heterogeneous
Geographically concentrated	Geographically not concentrated
Few but large customers	Mass markets
Few but important competitors	Many competitors
Derived demand	
less Price elasticity	

### *- Product -*

B2B markets	B2C markets
Technically complicated tailoring	Standard products
Service, delivery and availability extremely important	Service, delivery and availability less important compared to B2B

### *- Purchasing and decision making -*

B2B markets	B2C markets
Technical know-how needed	Less technical know-how needed
Group of professionals participate	Family participates
Rational/task oriented motives	Social and psychological motives important
Phases of the decision-making process identifiable	Phases of the decision-making process difficult to identify
Stable long-term relationships	Spot-trade
Reciprocity	
Personal relationships	

### *- Sales and distribution -*

B2B markets	B2C markets
Shorter distribution channel (less layers)	Indirect distribution channel (several layers)
Personal selling, trade fairs	Advertising
Competing quotations and long price negotiations for large deals	List price
List prices for standard products	

## APPENDIX 2. MARKETING: RIGHT AND WRONG (KOTLER & KELLER 2009).

The Ten Deadly Sins of Marketing	The Ten Commandments of Marketing
<ol style="list-style-type: none"> <li>1. The company is not sufficiently market focused and customer driven.</li> <li>2. The company does not fully understand its target customers.</li> <li>3. The company needs to better define and monitor its competitors.</li> <li>4. The company has not properly managed its relationships with its stakeholders.</li> <li>5. The company is not good at finding new opportunities.</li> <li>6. The company's marketing plans and planning process are deficient.</li> <li>7. The company's product and service policies need tightening.</li> <li>8. The company's brand-building and communications skills are weak.</li> <li>9. The company is not well organized to carry on effective and efficient marketing.</li> <li>10. The company has not made maximum use of technology.</li> </ol>	<ol style="list-style-type: none"> <li>1. The company segments the market, chooses the best segments, and develops a strong position in each chosen segment.</li> <li>2. The company maps its customers' needs, perceptions, preferences, and behavior and motivates its stakeholders to obsess about serving and satisfying the customers.</li> <li>3. The company knows its major competitors and their strengths and weaknesses.</li> <li>4. The company builds partners out of its stakeholders and generously rewards them.</li> <li>5. The company develops systems for identifying opportunities, ranking them, and choosing the best ones.</li> <li>6. The company manages a marketing planning system that leads to insightful long-term and short-term plans.</li> <li>7. The company exercises strong control over its product and service mix.</li> <li>8. The company builds strong brands by using the most cost-effective communication and promotion tools.</li> <li>9. The company builds marketing leadership and a team spirit among its various departments.</li> <li>10. The company constantly adds technology that gives it a competitive advantage in the marketplace.</li> </ol>

**APPENDIX 3. FACTORS AFFECTING THE QOS FOR ONLINE LEARNING (ADAPTED FROM KIST & BRODIE 2012).**

Factors Affecting QoE for Online Learning	Relevance of QoS
Satisfaction – level of satisfaction experienced upon completing the learning	Not relevant
Frustration – level of frustration experienced in completing the learning task	Relevant only if reduced functionality of tool/program due to reduced QoS disrupts the processes involved in the learning task
Achievability – sense of achievability of completing the learning task	Relevant only if reduced functionality of tool/program due to reduced QoS disrupts the student's ability to complete the learning task
Consistency – consistency of the overall learning environment	Not relevant
Quality – quality of learning materials provided	Not relevant
Flow – sense of flow when undertaking a learning task	Relevant only if reduced functionality of tool/program due to reduced QoS significantly interrupts the sense of flow of the learning task
Extra Time – the amount of time over and above what would required for achieving the relevant learning goal or completing the task if learning was not online	Relevant if functionality of the tool or learning environment is affected by poor QoS

## APPENDIX 4. ENTRY OF WORDDIVE'S BLOG IN SPANISH.

### ¡Sumérgete en la lengua!

Blog de WordDive

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[WORDDIVE.COM](#)
[MÉTODO WORDDIVE](#)
[¿QUIÉNES SOMOS?](#)
[ESPAÑOL](#)

---

#### "Aprender la lengua me ayudó a poder arreglármelas por mí mismo en Finlandia"

[Déjanos un comentario](#)

**Francisco Pelluz**, de 29 años, decidió ir por primera vez a Finlandia en 2010 como estudiante de intercambio porque ese país estaba "muy lejos" de su ciudad, Sevilla, en el sur de España. Otras motivaciones fueron la reputación finlandesa de país de tecnologías de la información y el hecho de que los finlandeses hablan bien el inglés. Primero, decidió centrarse en mejorar su inglés.

"No era difícil entender a la gente, pero sí lo era expresar mis ideas. Entendía todo, pero tenía la impresión de que quería decir algo más y utilizar otras palabras. Sentía que no me entendían y no podía mostrar a la gente cómo era yo en realidad", recuerda Francisco.

Entonces la vida cambió. Después de un mes y medio en Finlandia, Francisco conoció a su novia finlandesa. Cuando terminó su año de intercambio, pasaron un año en Sevilla y se volvieron a Finlandia. Era hora de aprender finés.

"En Sevilla, empecé a estudiar finés de verdad. Pero todo cambió cuando volví a Finlandia. Quería poder hablar con la abuela de mi novia y con sus primas pequeñas. Después de un año en Finlandia, también estaba cansado de ser siempre el único que tenía que hablar inglés y no que podía ser natural con la gente. Quería aprender la lengua y, además, mi novia es muy buena en español. No era justo."

**BUSCAR**

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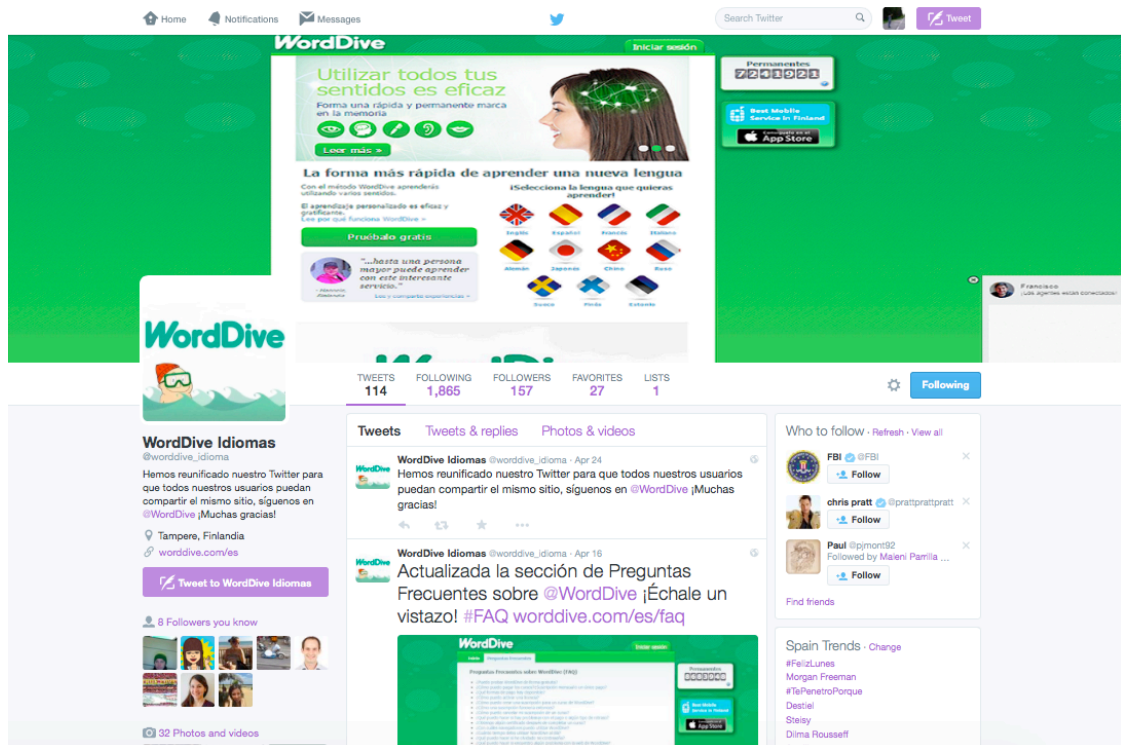
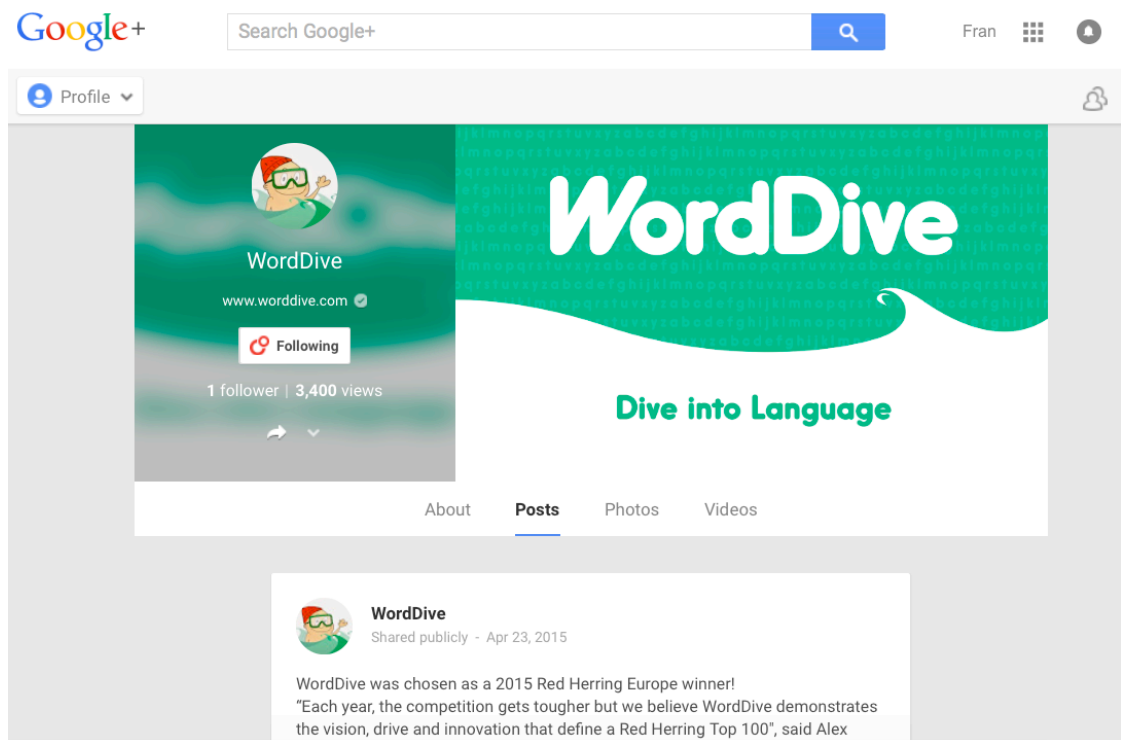
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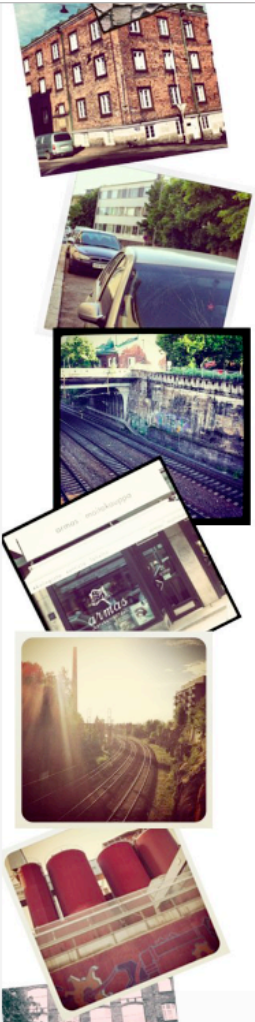
**ARCHIVOS**

marzo 2015

## APPENDIX 5. WORDDIVE'S PROFILES ON GOOGLE+ AND TWITTER.



## APPENDIX 6. A BLOG ENTRY ON WORDDIVE'S LEARNING METHOD.



# Dirty Cars And Million Cows

The blog about Tampere and Finland

Home About Dirty Cars Bloggers Regular guests How To...

[← To escape or not to escape](#) [Calling Finnish Girls' Parents To Ask Them Out \(PRANK\) →](#)

## Finnish in 3 months with Word-dive?

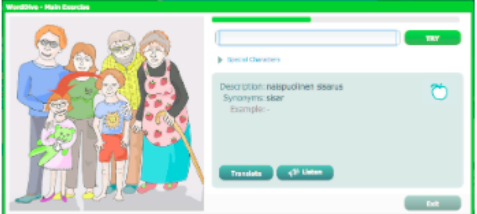
Posted on June 16, 2015 by Cai

I'm never one to shy away from a challenge so when Margarita emailed me and challenged me to learn Finnish in three months, I just had to say 'Let's do this!'.

It's no secret that last year, I ranted about Finns not speaking Finnish to me (*Puhu minulle suomea, kitos*), and then a few months ago, I thought about it some more and went a bit deeper into my own issues with speaking Finnish (*reflections on Immigrant life and learning Finnish*). The issue has now become my Finnish Mutism which boils down to confidence and just not knowing enough to speak. Well, I don't even think it is because I don't know enough. I think it's just confidence and lack of practice. I mean, I follow conversations and instructions very well.


So what's the deal? How will she succeed and cure my mutism? With Worddive (You can read about them [here](#), I don't do PR) . It's a Tampere-based startup who think that their software can make learning languages easier and not a tedious painful experience. I'm skeptical. Incredibly so. I've struggled with Finnish for nearly four years and I often reach a point where I think sod it, I can't do this, and take a break for a few weeks.

I don't have a head for languages, I'm severely dyslexic (Oh I'm a walking contradiction, a blogger / writer / academic / english teacher who struggles with words). It took me seven years to learn Welsh, and now most of that has disappeared out of my head to make room for Finnish.



The joke's on us...

A Dutch, a Brit and a Laplander moved to Tampere...



Search ...

The last word

Guest on [Finns Translating Sexual Text Messages Prank](#) - Watch the Funny Reactions

Guest on [Freezing Awkwardly During a Conversation \(PRANK\)](#)

[عاش الخلفي](#) on [Freezing Awkwardly During a Conversation \(PRANK\)](#)

[Abdullah al mamun](#) on [Taking a hike](#)

[Alexander](#) on [Freezing Awkwardly During a Conversation \(PRANK\)](#)

[Kristie](#) on [Sleepy Spring](#)

[Markus L.](#) on [You know you've been in Finland too long, when...](#)

Week's Most Wanted

[Honest talk about life in Finland and How to befriend a Finn](#)

158 views

[Finnish Food: The death of my taste buds](#)



## APPENDIX 7. WORDDIVE'S SPANISH INTERFACE OF THE AVAILABLE MOBILE APP.





**APPENDIX 8. HOFSTEDE'S DIMENSIONS MODEL FOR THE SPANISH CULTURE (ADAPTED FROM HOFSTEDE ET AL. 2010)**

DIMENSION	VALUE
POWER DISTANCE	Spain's score on this dimension (57) is a high score, which means that Spain has a hierarchical society. This means that people accept a hierarchical order in which everybody has a place and which needs no further justification.
INDIVIDUALISM	Spain, in comparison with the rest of the European countries (except for Portugal) is Collectivist (because of its score in this dimension: 51). However, compared with other areas of the world it is seen as clearly individualist. This has made Spaniards quite easy to relate with certain cultures -mainly non European- whereas other cultures can be perceived as aggressive and blunt.
MASCULINITY	Spain scores 42 on this dimension and is a country where the key word is consensus. So polarization is not well considered or excessive competitiveness appreciated. Spanish children are educated in search of harmony, refusing to take sides or standing out. There is a concern for weak or needy people that generate a natural current of sympathy.
UNCERTAINTY AVOIDANCE	If there is a dimension that defines Spain very clearly, it is Uncertainty Avoidance, as is reflected in a high score of 86. Spain is considered the second noisiest country in the world. People like to have rules for everything, changes cause stress, but, at the same time, they are obliged to avoid rules and laws that, in fact, make life more complex.
LONG TERM ORIENTATION	Despite an intermediate score of 48, Spain is a normative country. Spanish people like to live in the moment, without a great concern about the future. In fact, Spain is the country that has given the meaning of 'fiesta' to the world. In Spain, people look for quick results without delays. Moreover, there is a need for clear structures and well defined rules prevailing against more pragmatic and relaxed approaches to life, particularly, in the long term time.
INDULGENCE	With a low score of 44, Spain is not an Indulgent society. Societies with a low score in this dimension have a tendency to cynicism and pessimism. Also, in contrast to Indulgent societies, Restrained societies do not put much emphasis on leisure time and control the gratification of their desires.

**APPENDIX 9. COMMON COMMUNICATION CHANNELS** (KOTLER & KELLER 2009).

Advertising	Sales Promotion	Events and Experiences	Public Relations and Publicity	Direct and Interactive Marketing	Word-of-Mouth Marketing	Personal Selling
Print and broadcast ads	Contests, games, sweepstakes, lotteries	Sports	Press kits	Catalogs	Person-to-person	Sales presentations
Packaging—outer	Premiums and gifts	Entertainment	Speeches	Mailings	Chat rooms	Sales meetings
Packaging inserts	Sampling	Festivals	Seminars	Telemarketing	Blogs	Incentive programs
Cinema	Fairs and trade shows	Arts	Annual reports	Electronic shopping		Samples
Brochures and booklets	Exhibits	Causes	Charitable donations	TV shopping		Fairs and trade shows
Posters and leaflets	Demonstrations	Factory tours	Publications	Fax		
Directories	Coupons	Company museums	Community relations	E-mail		
Reprints of ads	Rebates	Street activities	Lobbying	Voice mail		
Billboards	Low-interest financing		Identity media	Company blogs		
Display signs	Trade-in allowances		Company magazine	Web sites		
Point-of-purchase displays	Continuity programs					
DVDs	Tie-ins					

## APPENDIX 10. SOME KEYWORDS USED ON THE SEM CAMPAIGNS.

Keyword	Acquisition			Behaviour			Conversions		
	Clicks	Cost	CPC	Sessions	Bounce Rate	Pages/Session	1-1. Intro Ordered (Goal 1 Conversion Rate)	1-1. Intro Ordered (Goal 1 Completions)	1-1. Intro Ordered (Goal 1 Value)
<b>Spanish Market</b>	0 % of Total: 0.00% (0)	€0.00 % of Total: 0.00% (€0.00)	€0.00 Avg for View: €0.00 (0.00%)	8,496 % of Total: 1.38% (€17,530)	43.16% Avg for View: 41.98% (2.81%)	2.43 Avg for View: 3.70 (-34.28%)	10.36% Avg for View: 2.99% (246.31%)	880 % of Total: 4.76% (€18,470)	€905.28 % of Total: 4.90% (€18,470.24)
1. +aprender +italiano	0 (0.00%)	€0.00 (0.00%)	€0.00	192 (2.28%)	31.25%	2.49	21.35%	41 (4.66%)	€40.86 (4.51%)
2. aprender frances	0 (0.00%)	€0.00 (0.00%)	€0.00	176 (2.07%)	39.20%	3.07	15.91%	28 (3.18%)	€28.29 (3.12%)
3. aprender sueco	0 (0.00%)	€0.00 (0.00%)	€0.00	242 (2.85%)	34.71%	3.24	11.57%	28 (3.18%)	€28.29 (3.12%)
4. curso de sueco	0 (0.00%)	€0.00 (0.00%)	€0.00	101 (1.19%)	46.53%	4.49	21.78%	22 (2.50%)	€22.00 (2.43%)
5. aprender japones	0 (0.00%)	€0.00 (0.00%)	€0.00	167 (1.97%)	34.13%	1.75	11.38%	19 (2.16%)	€18.86 (2.08%)
6. aprender aleman online	0 (0.00%)	€0.00 (0.00%)	€0.00	60 (0.71%)	36.67%	4.45	26.67%	16 (1.82%)	€15.72 (1.74%)
7. aprender chino	0 (0.00%)	€0.00 (0.00%)	€0.00	88 (1.04%)	35.23%	2.42	18.18%	16 (1.82%)	€15.72 (1.74%)
8. como aprender frances	0 (0.00%)	€0.00 (0.00%)	€0.00	63 (0.74%)	25.40%	4.29	25.40%	16 (1.82%)	€15.72 (1.74%)
9. curso de frances	0 (0.00%)	€0.00 (0.00%)	€0.00	94 (1.11%)	29.79%	4.59	17.02%	16 (1.82%)	€15.72 (1.74%)
10. aleman basico	0 (0.00%)	€0.00 (0.00%)	€0.00	110 (1.29%)	25.45%	3.03	11.82%	13 (1.48%)	€12.57 (1.39%)
11. aprende ingles	0 (0.00%)	€0.00 (0.00%)	€0.00	82 (0.97%)	53.66%	1.68	15.85%	13 (1.48%)	€12.57 (1.39%)
12. curso de chino	0 (0.00%)	€0.00 (0.00%)	€0.00	60 (0.71%)	41.67%	1.78	21.67%	13 (1.48%)	€12.57 (1.39%)
13. curso de frances online	0 (0.00%)	€0.00 (0.00%)	€0.00	60 (0.71%)	21.67%	4.30	21.67%	13 (1.48%)	€12.57 (1.39%)
14. curso de japones online	0 (0.00%)	€0.00 (0.00%)	€0.00	69 (0.81%)	40.58%	2.51	18.84%	13 (1.48%)	€12.57 (1.39%)
15. cursos de frances online	0 (0.00%)	€0.00 (0.00%)	€0.00	72 (0.85%)	38.89%	3.06	18.06%	13 (1.48%)	€12.57 (1.39%)